

EXHIBIT B

MULTIPLE STREAMS OF INCOME TROUGH REAL ESTATE INVESTMENT

EARNED INCOME STREAMS:

Short term/Quick turns

- Pre-construction, government grants
- Wholesale
- Foreclosure
- Discount Notes—Working as an Intermediary
- Options—Commercial & Residential
- Rehabbing
- Remodeling—Forced Appreciation
- Land Development—Domestic
- Land Development—International
- Home Staging

PASSIVE RESIDUAL INCOME STREAMS:

Recurring Income Through Monthly Payments

- Single family home rentals
- Duplex, Triplex, Four-plex rentals
- Section 8 Landlording
- Lease Option Homes
- Commercial: Multi-unit apartment buildings
- Commercial: Storage Units, Office Buildings, Strip Malls, etc.
- Property Management: Collect 10% of Gross Rents in Management Fees
- Mobile Home Rentals
- Mobile Home/RV Lots

PORTFOLIO INCOME STREAMS:

Your Money is Making Money For You!

- Seller Financing
- Discount Note Buying
- Tax Liens & Deeds
- Private Money Investor: Mid-term Lending on Deals to Investors—Hard Money Lender
- Other Interest Bearing Accounts: _____

*****Be certain to add Creative Finance & Asset Protection to all income development plans and advanced training programs!!!**

EXHIBIT C

Power Team Interview Questions

Realtor:

Before calling Realtor's, drive your target area and record/count up the signs of all for sale. See who is the "king" of the township. Take the top 3 and use the following screening techniques.

At appointment:

- . Do you serve REIs?
- . How many do you work with?
- . How long have you been a Realtor?
- . Are you're a listing agent or a buyer's agent?
- . Can I speak with all of your other REI's for reference sake? (hint, do that but also put in your database)
- . Can you provide REI references?
- . Do you depend on real estate to make a living?
- . If I show you how I find properties, can you tell me honestly if your interested in working with me or not?
- . If you are interested, will you devote the time required?
- . If you are interested, can I show you the math model of how I think you will be paid and how much?
- . What is your opinion of the market conditions?
- . How many listings do you currently have?
- . How many properties did you sell last year?
- . Are you familiar with no money down techniques?
- . How many no money down techniques do you know? Which ones?
- . Do you invest yourself? Would you like to invest with partners occasionally?
- . What is your specialty?
- . Are you familiar with the letter of intent tactic?
- . How do you like to get paid when we rehab and rent?
- . How would you like to make more money from less work? Can I show you how? Then explain that you will do the phone calling and faxing your letters of intent. When you get a house, the Realtor participates in the commission.
- . Are you familiar with MLS automated queries? If Yes, set one up. If No, walk the Realtor through it. Some Realtors are good but not computer savvy.
- . If I give you those queries, can you put set them up soon?
- . Does your agency do property management?
- . Do you think we can do business on this basis? If Yes, you now have a power team member.
- . Do you think your broker will agree?
- . How can I make your work easier?
- . What bank connections do you have in town? Can you make a personal introduction?
- . Do you know any good RE Attorney's, closing agent's, CPAs or Insurance Agents? Have your power team recommend other team members. Good people know other good people.

Mortgage Broker:

Opening phone call: "Can I speak to the Broker/Owner or your specialist that works with Real Estate investors'. Do you work with REIs? (must be a YES to continue). How many investors do you work with? If Yes to the first two questions and a sufficient number of REI, set an appointment.

At appointment:

For all of the following questions, we want to know what is your best/highest Loan To Value (LTV) available for:

(Notice we are not asking about interest rate)

LTV and Loan Product

. Owner Occupied: Single Units

Duplexes

Triplex's/Quads

5+ units

. Non Owner Occupied: Single Units

Duplexes

Triplex's/Quads

5+ units

- . Is second mortgage money available?
- . Is Equity Line of Credit available?
- . Interest only loans and/or lines of credit?
- . Are Rehab monies available?
- . Is New Construction money available?
- . Do you have Cash Out Refinancing available?
 - . When?
 - . How much?
- . Do you have Hard Money? If NO, do you know who does?
- . Do you have Stated Income, No Documentation loans?
- . Do you have NENA, No Employment, No Assets loans?
- . What areas of town are appreciating?
- . What areas of town are rents increasing?
- . What are the investors working with you doing? And where are they doing it?
- . How can I make your work easier?
- . What paperwork do you need from me?
- . Are you a corresponding lender? If Yes, can you close loans in house for short periods?
- . Would you like me to bring you FHA buyers?
- . Do you have FHA 203 investor loans?
- . Do you have VA loans?

- . After we do a few deals and you get a comfort level with me, there will be times when I need to ask that you wave the front fees and earn only the yield spread. Is that OK with you?
- . How many loans per month do you do?
- . How many processors do you have? How many sales agents?
- . Do you do Combo or piggy back loans?

Community Banker:

Target your local community banks (i.e. not the big national chains). Opening phone call, ask for someone in the Commercial Banking Department: "Does your bank do 80/20 investment real estate loans? (must be a YES to continue). Will you allow the seller to hold the 20%? (must be a YES to continue). If Yes, "I am bringing an real estate opportunity X is there a time we can meet to discuss your banks interest in such a project?. Set appointment. (HINT, bring the bank prospectus and THREE COMPLETE copies with you. You will look like a super star).

At appointment:

- . So how long have you been at the bank? (try to establish some rapport)
- . Where are the decisions made? Here in town? (this will tell you if they are a community bank)
- . What does your bank specialize in?
- . What type of real estate are you targeting?
- . What is your maximum lending limit?
- . What signature loan products do you offer?
- . What New Construction products do you offer?
- . What Rehab products do you offer?
- . What CRA (Community Reinvestment Act) monies are available and where are they being applied?
- . Who is responsible for the CRA within your bank?
- . Can I refer CRA clients to you? If Yes, what debt to income ratio do you require?
- . What Portfolio loan products do you offer?
- . What CDBG (Community Development Block Grant) products are available?
- . Can I get a copy of your bank's CDBG plan?
- . For the people I refer to your bank, what kind of down payment and closing cost assistance do you offer?
- . Can you provide a list of required documents that you will require pre-application?
- . How can I make your work easier?
- . What paperwork do you need from me and when?
- . What other financial services does your Bank offer?
- . Do you know any good RE Attorney's or CPA's?
- . When would be a good time to view my current inventory and this new project?

Title Company

Opening phone call: "Does your company work with REIs? (must be YES to continue). How many do you work with? (must be a good number 20-30 at least). If satisfied, set appointment.

At appointment:

- . What is your fee schedule?
- . How much lead time do you require?
- . What documentation will you need?
- . Do you do Title Peaks? If Yes, how much?
- . Do you have pre-foreclosure information that we can access to help those folks?
- . What areas are your investors in?
- . When deals fail to close, can you forward the sellers contact information to us? We will close.
- . Are their "flipping laws" in this state? If Yes, what are they?
- . What paperwork do you need from me and when?
- . What can I do to make your life easier?
- . Do you sit on the boards of any Banks? If Yes, Can you make an introduction for me?

CPA

Opening phone call: "I am a REI looking for a CPA who is also a REI, are you a REI or can you refer one to me?" If satisfied, set appointment.

At appointment:

- . What type of property do you invest in?
- . How much of it do you have?
- . How many REI clients do you have?
- . What is special about REI from a tax perspective?
- . How do you handle year end? What do you need from me at year end?
- . What penalties do REI usually encounter and how can we avoid them?
- . How do you recommend I organize my books?
(if Quickbooks, do you know the software and can you help me make the entries to get started?)
- . Have you been through an audit with a REI client? If yes, what can I learn from his experience?
- . Will you perform compliance and with what speed?
- . How do you get paid and when?
- . Can you offer entity creation advice?
- . What paperwork do you need from me and when?
- . What can I do to make your life easier?
- . Do you sit on the boards of any Banks? If Yes, Can you make an introduction for me?

Insurance Agent

Opening phone call: "I am a REI looking for an Insurance Agent whose company handles investment buildings. Does your agency handle investment buildings? (must be Yes to continue). If yes, set appointment.

At appointment:

- . How many REI do you work with?
- . What do you typically insure for them?
- . Can you handle high deductible coverage? If so, how high?
- . Can you handle; single family, duplexes, triplexes, quads, multi-family, office, warehouse, retail buildings?
- . Can you handle business insurance?
- . Can you handle umbrella insurance?
- . What paper work do you need from me?
- . What can I do to make your life your life easier?
- . Do you sit on the boards of any Banks? If Yes, Can you make an introduction for me?

General Contractor

Go to Home Depot at 6:00am in the morning. Hang around the Pro-Desk. Watch the parking lot for guys with nice trucks with the company name on it. You are looking for a company that is proud of themselves and their work. Stop and interview those guys who look and sound like they quality people.

Home Depot Interview: "Pardon me, I am a REI looking to find a good General Contractor, is your company looking for new clients?" If Yes, continue. "Our company is buying lots of property and will continue to do so, we are actively seeking a GC partner that we can rely on over and over again. Is that the kind of client your company looks for? If Yes, continue. Describe the nature of the work you have to do. I like to say that I have a \$30,000.00 single family home remodeling job. "How long does it take your company to turn a \$30,000.00?" If 30-60 days, continue. We need to have speed and urgency with respect to repair work. If they cannot turn around a \$30k job in 30 days, then they must not have the tools or staff to do the work.

- . How many employees do you have?
- . Does your company have the necessary tools to perform a \$30k remodel job?
- . Do you carry workers compensation insurance? If NO, then forget them.
- . Will you place my company on your insurance as an additional insured?, If NO, then forget them.
- . Do you have licensed Plumbers on staff?
- . Do you have licensed Electricians on staff?
- . Do you have licensed HVAC people on staff?
- . Does your company have roofers, glazers, flooring people, painters, etc?
- . Do you handle all the permitting required?
- . Our company pays 100% of the bill after the work is completed. Can your company handle that?
- . Our company pays bonus money for every day the project comes in ahead of schedule. Our company also has penalties for every day the project is delayed. Can your company handle that? (have the amounts ready)
- . Can you provide references? Can we see your work from the street on some of these jobs?
- . Can you provide a list of employees who will be working on our projects?

If satisfactory responses, ask to meet the owner. Have the owner personally quote your job. Once the owner is aware of your way of doing things, he can organize his team in a way to get your jobs done fast.

Lawyer

Opening phone call: "I am a REI looking for a RE Attorney to handle my affairs. Are you a RE Attorney or can you recommend one to me?" If Yes, "Do you invest in RE yourself?" If Yes, set appointment.

At appointment.

- . How many years have you been a RE Attorney?
- . What type of property do you invest in?
- . Why do I need a RE Attorney? (this will really let you know if he is on the ball)
- . How do you get paid and when do you get paid?
- . What other resources does your Firm offer?
- . Can you offer any asset protection advice?
- . Can you offer any entity creation advice?
- . What are the top 3 behaviors that land REIs in court?
- . Do you sit on the board of any Banks? If Yes, Can you make an introduction for me?

Others

You will need these other team members too:

- . Surveyor
- . Mechanical Inspector
- . Appraiser
- . Lawn/Landscape
- . Cleaner
- . Technology Consultant

and Most Importantly

. Mentor(s) and Trainer(s)

EXHIBIT D

Certificate of Registration



This Certificate issued under the seal of the Copyright Office in accordance with title 17, *United States Code*, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

Maria A. Pallante

Register of Copyrights, United States of America

Registration Number
TX 7-719-760

Effective date of
registration:
August 2, 2013

Title

Title of Work: Insiders's Edge Three Day Work Shop

Completion/Publication

Year of Completion: 2010

Date of 1st Publication: November 29, 2010

Nation of 1st Publication: United States

Author

Author: Marc Hrisko

Author Created: text, compilation, editing

Citizen of: United States

Copyright claimant

Copyright Claimant: Marc Hrisko

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Rights and Permissions

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Name: John A Bluth

Email: jbluth@aklawfirm.com

Telephone: 801-534-1700

Address: 50 W Broadway, Suite 700

Salt Lake City, UT 84101 United States

Certification

Name: Marc Hrisko

Date: August 2, 2013

Registration #: TX0007719760

Service Request #: 1-971653721



Anderson & Karrenberg
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EXHIBIT E

LIFE IS ABOUT CHOICES NOW IS THE TIME TO MAKE ONE OF THE MOST CRITICAL DECISIONS OF YOUR LIFE:

- ARE YOU READY TO TAKE CONTROL OF YOUR FINANCES?
- IF YOU TAKE CONTROL OF YOUR FINANCES, IT WILL EMPOWER YOU TO SHAPE A NEW LIFE FOR YOURSELF.
- ARE YOU COMMITTED TO SEEING YOUR CHOICES THROUGH TO THE END?



CONGRATULATIONS!

- YOU'VE MADE THE CHOICE TO ACHIEVE
FINANCIAL FREEDOM!!
- THE TIME HAS COME TO TAKE ACTION,
- PUT FORTH THE EFFORT
- AND MOVE YOURSELF FORWARD!!



SET THE INTENTION!

FOUR IMPERATIVES

1. Replace Or Double Your Current Income Within 12 Months.
2. Be Free Of Consumer Debt Within 12 Months.
3. Have The Ability To Access \$200,000 In Liquid Assets Within 24 Months.
4. Develop At Least 7-9 Sources Of Income Within 24 Months And Be Financially Independent And Ready For Retirement!



Rich Dad

EDUCATION

RAISE YOUR FINANCIAL I.Q.

The Higher Your Financial IQ

The Less Money It Takes To Become Rich

RICH DAD[®]
EDUCATION

THREE TYPES OF LITERACY

1. ACADEMIC

-THE ABILITY TO READ & WRITE

2. PROFESSIONAL

-LEARNING A SKILL TO EARN

3. FINANCIAL

-LEARNING HOW TO HAVE MONEY WORK FOR
YOU



Rich Dad

EDUCATION

THE CONE OF LEARNING

&

KNOWLEDGE RETENTION



Rich Dad

EDUCATION

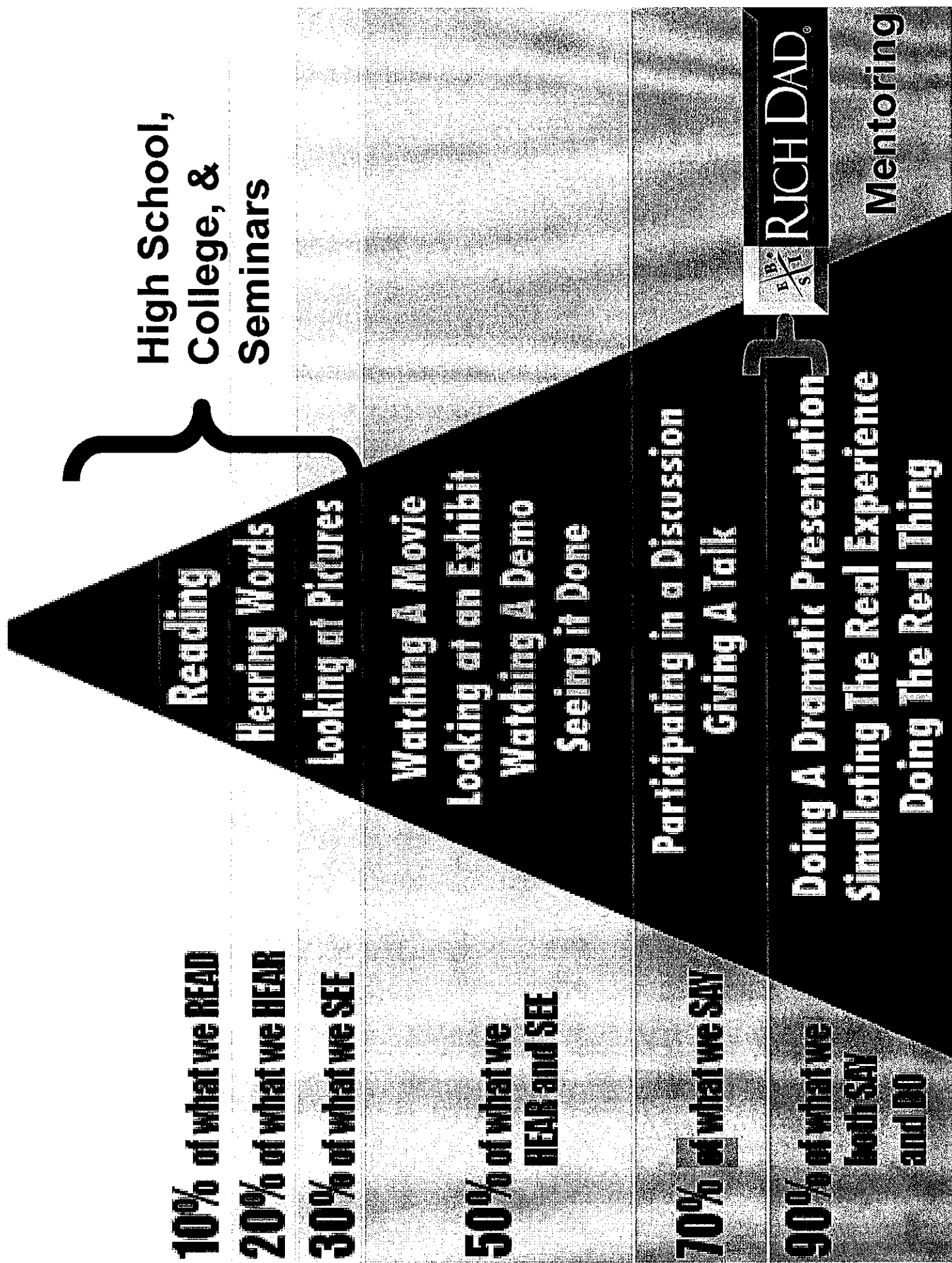
CREATE
LEARNING
ENVIRONMENT

RICH DAD®
EDUCATION

HOW DO YOU LEARN?

- 10-30% of knowledge is retained by what we READ, HEAR & SEE.
- 90% of knowledge is retained by what we SAY AND DO.
- We retain the most knowledge when we learn through “HANDS ON” training.





Rich Dad

EDUCATION

RAISE YOUR FINANCIAL I.Q.

The Higher Your Financial IQ
The Less Money It Takes To Become Rich



DISCUSSION LEADER

1. Everyone Participates
2. Discussion/ Positive/ Stay on Topic!
3. Close Discussion



Rich Dad

EDUCATION

DISCUSS

WHY ARE YOU HERE?

RICH DAD[®]
EDUCATION

Rich Dad

EDUCATION

WHY ARE YOU HERE?

(WB-16)

- GET OUT OF "BAD" DEBT
- SECURE FUTURE/RETIREMENT
- GET OUT OF THE RAT RACE
- IMPROVE LIFESTYLE
- FINANCIAL FREEDOM
- MONEY-MAKING MACHINE

RICH DAD[®]
EDUCATION

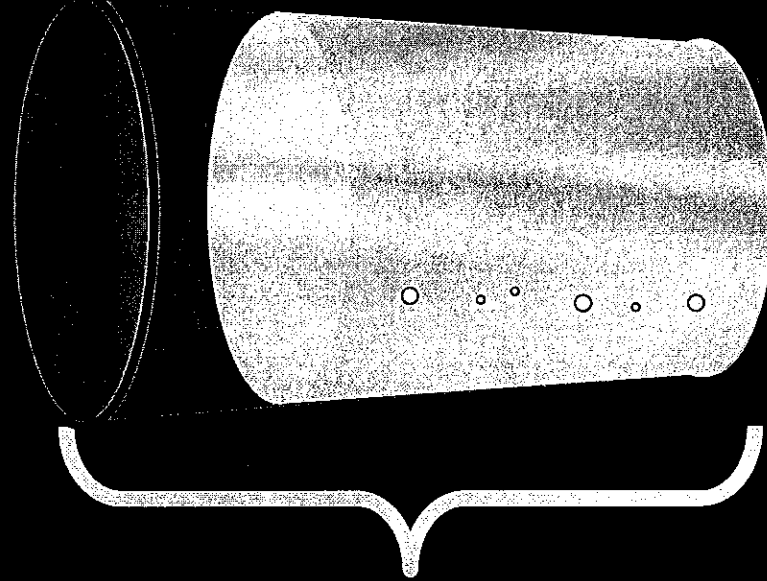
The Times Are Changing

“I am concerned that too many people are focused on and not their greatest wealth, which is their Education”

— Robert Kiyosaki - “Rich Dad Poor Dad”



Context First, Then Content



Context
WHY

Content
HOW



Rich Dad

EDUCATION

DISCUSS

WHAT IS THE MINDSET OF AN
EMPLOYEE?

RICH DAD[®]
EDUCATION

THREE TYPES OF INVESTORS:

1. NON – INVESTOR (The Poor)
 - Believes Government Will Support Them
 - Consume Everything They Earn
 - Live Pay Check To Pay Check
2. PASSIVE INVESTOR (The Middle Class)
 - Believes In Good Education, High-Paying Job, Home Ownership & Saving For Retirement
 - Turn Their Money Over To “Financial Experts”
3. ACTIVE INVESTOR (The Rich)
 - Entrepreneurs



INVESTOR QUESTIONS

1. What Is My Investment?
2. What Is My Return On My Investment?
3. What Is The Upside To My Investment Opportunity?
4. What Is The Downside To My Investment Opportunity?
5. What Is The Best Case Scenario?
6. What Is The Worse Case Scenario?
7. How Can I Handle The Worse Case Scenario?



What Is It Going To Take?

1. Education (Time to learn the business)
2. Mentor (To help you get your business started)
3. Action (To plan the systems)
4. Power Team (To do the work)



A Mentor is the
KEY
to
Financial Freedom!*



Robert Say's

You don't need to know
every answer, but you
do need to know who to
call for the answer.

Call on a MENTOR to
help you get started!



Who's Sick And Tired Of Being Sick And Tired??



INSANITY:

**Doing The Same Thing Over
And Over, Day After Day
Expecting Different Results!!**



OUR WEEKEND GOAL...

- Show You How To Become WEALTH INTELLIGENT!
- Show You How To Create A FULL-TIME LIFE, Not A Full-Time JOB!



Some Unsettling Statistics

- \$7.7 trillion dollars in paper wealth has disappeared in the past 15 years!
- Nearly 40% of all households in the U.S. (age 47-64) will not be able to replace even half of their retirement incomes once they stop working.
- Nearly 20% of those retiring will be below the poverty level of income.
- In order to access \$80,000 per year and retire at age 67, you must be able to access social security benefits and have at least \$750,000 to 1 million in your retirement account.



WHERE WILL YOU BE AT

AGE 65?

- 1% are wealthy
- 4% are financially independent
- 25% are still working
- 63% ARE DEPENDENT ON FAMILY, FRIENDS, OR GOVERNMENT!!!
- 7% have died



www.entrepreneur.com/franchise

2007

| | | |
|------------------|---|-------------|
| • Subway | • | \$213,000 |
| • Curves | • | \$41,000 |
| • Quizno's | • | \$200,000 |
| • 7-Eleven | • | \$83,000 |
| • Jackson Hewitt | • | \$75,000 |
| • UPS Store | • | \$239,000 |
| • McDonalds | • | \$1,600,000 |
| • Jani-king | • | \$34,000 |
| • Dunkin' Donuts | • | \$1,400,000 |
| • Basin-Robbins | • | \$527,000 |



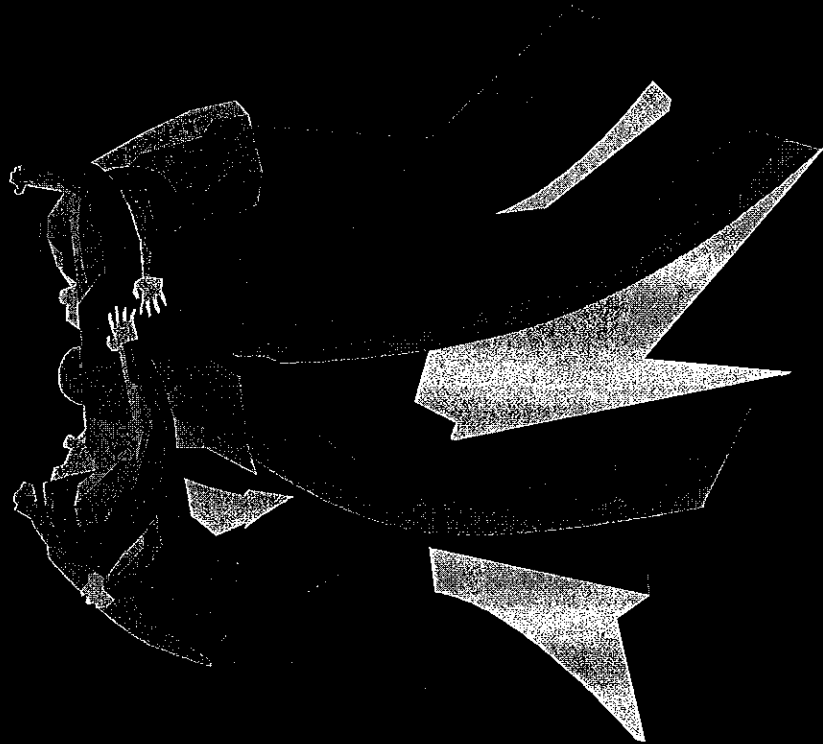
The Cost of a College Education Per Year 06-07

- Dartmouth University \$30,252
- University of North Carolina \$36,526
- Brown University \$46,060
- Harvard University \$46,450
- University of California \$41,028
- Your local or state university ???????

**WHAT WILL YOUR RETURN ON THAT
INVESTMENT BE?**



ARE YOU COACHABLE?



- 1. Will You Allow Me To Coach You?**
- 2. If I Can Show You Strategies That Will Guarantee Your Success, Will You Follow My Directions?**
- 3. If I Can Create A Game Plan That Builds Upon Proven Techniques For Building Wealth, Will You Make A Commitment To Your Future – Will You Step Forward And Become A Leader -- And Create A Legacy For Your Family?**



BUILD A REAL ESTATE

BUSINESSES:

- **Most Stable Vehicle Available To Create Wealth.**
- **Creates Multiple Sources of Cash Flow (Income).**
- **Quick Chunks Of Cash.**
- **Long Term Holds Build Wealth.**
- **Creates Tax Benefits.**



WHAT'S HOLDING YOU BACK?...



ARE YOU AFRAID OF CHANGE???

YOU NEED TO BE AFRAID OF STAYING
THE SAME!!!



TAKE ACTION NOW:

- Just Say No To Excuses.
- You Must *Believe* It To See It – And See It To *Achieve* It.
- Set Goals – Commit To Taking Action.



THIS COUNTRY HAS 3 CLASSES of PEOPLE

- RICH
- MIDDLE CLASS
- POOR
- WHICH CLASS IS SHRINKING?



FEAR

Holds People Back



FEAR

F – False

E – Evidence

A – Appearing

R – Real



CONTINUING

EDUCATION:

- Industrial Age • Information Age
- Formal Education • Advance Education
- Teaches You How To Get A Job And Earn A Living • Teaches You How To Create Wealth For A LIFETIME!!



**“KNOWLEDGE
IS
POWER”**

?????



“APPLIED” KNOWLEDGE IS POWER.

- Your Foundation, The Platform On Which Your Future Will Be Built Is Knowledge.
- The More Knowledge You Have, The Deeper Your Foundation.
- The Deeper Your Foundation, The Higher Your Ultimate Reach.



KNOWLEDGE
BUILDS CONFIDENCE

&

DESTROYS FEAR



Robert Say's

“The Secret To Building
Wealth Is Knowing Things
Other People Don't Know
And Acting Upon Them”



\$\$\$MONEY\$\$\$

(WB-37)

3 Types Of Income

– Earned Income

– Passive

– Portfolio



THE THREE TYPES OF

INCOME

EARNED INCOME – Trading time for money.

Get paid once, i.e. – Wholesale – Foreclosure
– Rehabs

PASSIVE RESIDUAL INCOME – Doing

something once and getting paid over and over again. i.e. – Rentals - Lease Options moves you toward retirement and your dreams.

PORTFOLIO INCOME – Money making money.

i.e. - Discount notes - Tax Liens and Deeds.
Allows you to leave a legacy.



Wholesale

- Sometimes Deal Contractors?
- Property Worth \$100,000
- How Much Money For Repairs?
- Make \$5,000 (Minimum)
- 6 Hours Total
- Over 4-6 Weeks



Wholesale

- How Much Is That Per Hour?
- \$833.33 per HOUR!!!
- How Long Would You have To Stay In Your Job To Make \$800 Per Hr.?
- When You Make That Will You Retire From You JOB?



Wholesale

Would \$800 Per Hour
Make A Difference?
A Little or A lot?



Passive Residual Income

1. Mobile Homes
2. Duplexes
3. Lease Option
4. Single Family Homes
5. Apartments
6. Commercial
7. Storage Units



Portfolio Income

1. CD
2. Stocks
3. Tax Liens
4. Options
5. Discount Notes
6. Owner Financing
7. Bank Loans: Earn \$1 For Every Dime You Loan Out



Circle Of Wealth

(WB-37)

Using Specialized Knowledge (7-9)
To Create Multiple Sources Of

Cash

=

DOVETAILING!



Circle Of Wealth

(WB-37)

Using Specialized Knowledge (7-9)
To Create Multiple Sources Of

Cash

=

DOVETAILING!



Are You Ready To Change Your Financial IQ?



FIVE INGREDIENTS FOR SUCCESS IN REAL ESTATE & BUSINESS:

(WB-41)

- SPECIALIZED KNOWLEDGE
- TOOLS OF A PRO
- CHANGES IN ATTITUDE
- MONEY
- MENTOR



Wealthy People Think Differently

(WB-39)

Good Education
Seek Job Security
Work For Money
Plan For Next Paycheck
Worry About Raises
Buy Big House
Small R. E. Investments
Save Money
Use There Own Money
Don't Take Risk

Wealthy People

Invest In Good Education
Build A Business
Money Works For Them
Wealth For 3 Generations
Excited Building Wealth
Buy Income Property
Large R.E. Investments
Invest Money / Leverage
Take Risk



Robert Say's

“Knowledge Replaces Money”

“Invest In Good Education”



CREDIT HISTORY REPAIR

***“The Simple Fact Is -- You Multiply
Your Investment Possibilities If You
Establish & Maintain Good Credit.”***



FOUR WAYS TO MAKE MONEY IN REAL ESTATE

(WB-43)

- **Appreciation**
- **Tax Advantages**
- **Cash Flow**
- **Equity**



THREE WAYS TO CREATE EQUITY

- Reduce Debt
- Buy Wholesale (80/20 Rule)
- Force Appreciation Through Remodeling



TOOLS OF A PRO:

- Business Plan
- Build A Wealth Team
- Success System Software



Robert Say's

Mindset + Knowledge = Wealth



MONEY:



CREDIT HISTORY REVIEW

***“The Simple Fact Is -- You Multiply
Your Investment Possibilities If You
Establish & Maintain Good Credit.”***



CREDIT:

- Trust In One's Integrity In Money Matters And In One's Ability To Make Payments When Due.

-Webster's New World Dictionary



CREDIT SCORES:

- Credit Scores Are Generated By A Compilation Of Reports From The Three Major Credit Reporting Agencies:

Equifax, Experian, & Trans Union



GRADING RANGES:

- A CREDIT: 670- 850
- B CREDIT: 620-669
- C CREDIT: 580-619
- D CREDIT: 579 - BELOW



UNDERSTANDING

THE NUMBERS:

- Credit Scores Range From 300-850.
- Credit Information Considered:
 1. Payment History (35%)
 2. Amount Owed (30%)
 3. Length Of Credit (15%)
 4. New Credit (10%)
 5. Types Of Credit (10%)



Funding Your Business



WHICH IS EASIER?

**Earning Seed
Capital**

**Raising Seed
Capital**



Robert Say's

"The Wealthy Learn How
To LEVERAGE Money
To Make More Money"



SOURCES OF SEED

CAPITAL:

(WB-46)

- Pension Plan
- Friends/ Family
- Federal/ State/ Local Government
- Life Insurance Policy
- 401K – 30 Days Or Less
- FHA & VA
- Seller Financing
- Personal Bank Loans
- Passbook Signature Loans
- Equity Financing
- Credit Card Financing



CREDIT CARDS:

Robert's NEW DEFINITION

- OPM

- Immediate Access To Cash

- Use For Short Term,
High Yield Investments



CREDIT CARD

REVIEW:

- Sign Credit Cards With... “See ID”
- Consolidate Cards From Same Banks
- Choose Major Credit Cards (Visa, MasterCard, American Express, or Discover)
- Complete Assignment Every 3 Months



Lunch Assignment

CREDIT CARD REVIEW:

- 1. What Is My Current Credit Limit?**
- 2. What Is My Current Balance?**
- 3. What Is My Current Interest Rate?**
- 4. Do I Have Fees With My Account?**
- 5. I Need An Immediate Increase In My Credit Limit!**
- 6. I Need My Interest Rate Lowered!**
- 7. I Need My Fees Waived!**



BANKRATE.COM:

- American Express Blue 1-800-641-2400
- Citibank 1-800-456-4277
- MBNA 1-800-441-7048
- Chase 1-800-347-7887
- Fifth Third 1-800-972-3030
- Provident Financial 1-800-647-8641
- Household Credit 1-800-685-9080
- Wells Fargo 1-800-642-4720



THE POWER OF A

MENTOR:

- Someone Has Heard What You Have Not.
- Someone Has Seen What You Have Not.
- Someone Knows What You Do Not.

Your Success Depends On Your
Willingness To Be Mentored By Them!



LUNCH-TIME ASSIGNMENT:

- Credit Card Challenge
- Begin Establishing Business Lines Of Credit. Goal Is \$50,000 Seed Capital For Your Real Estate Business.
- Read WIA Course Catalog. Choose Seven Sources of Cash Flow That Interest You. Determine Circle of Wealth.
- Read Page 34 -- Mentor Program



WHOLESALE ADVANTAGES:

- **Requires Very Little Money And No Credit.**
- **Can Generate Quick Chunks of Cash.**
- **You Don't Do Repairs or Deal with Contractors.**
- **You Don't Need A License.**



WHOLESALE DISADVANTAGES:

- You're Limited To Houses That Can Be Bought Well Below FMV.
- One Payday On Each Property.



STEP BY STEP PLAN:

(WB-50)

- **Find The Property**
- **Run The Numbers**
- **Find The Owner**
- **Negotiate The Contract**
- **Find Your New Buyer**
- **Assign Or Simultaneous Close**
- **Drive To Bank**



TECHNIQUES FOR LOCATING PROPERTIES:

1. Drive Target Market
2. Bird Dogs
3. Run Your Own Classified Ad
4. Realtor



FINDING OWNERS

1. Ask Neighbors
2. Postal Service
3. Tax Rolls
4. Skip Tracer

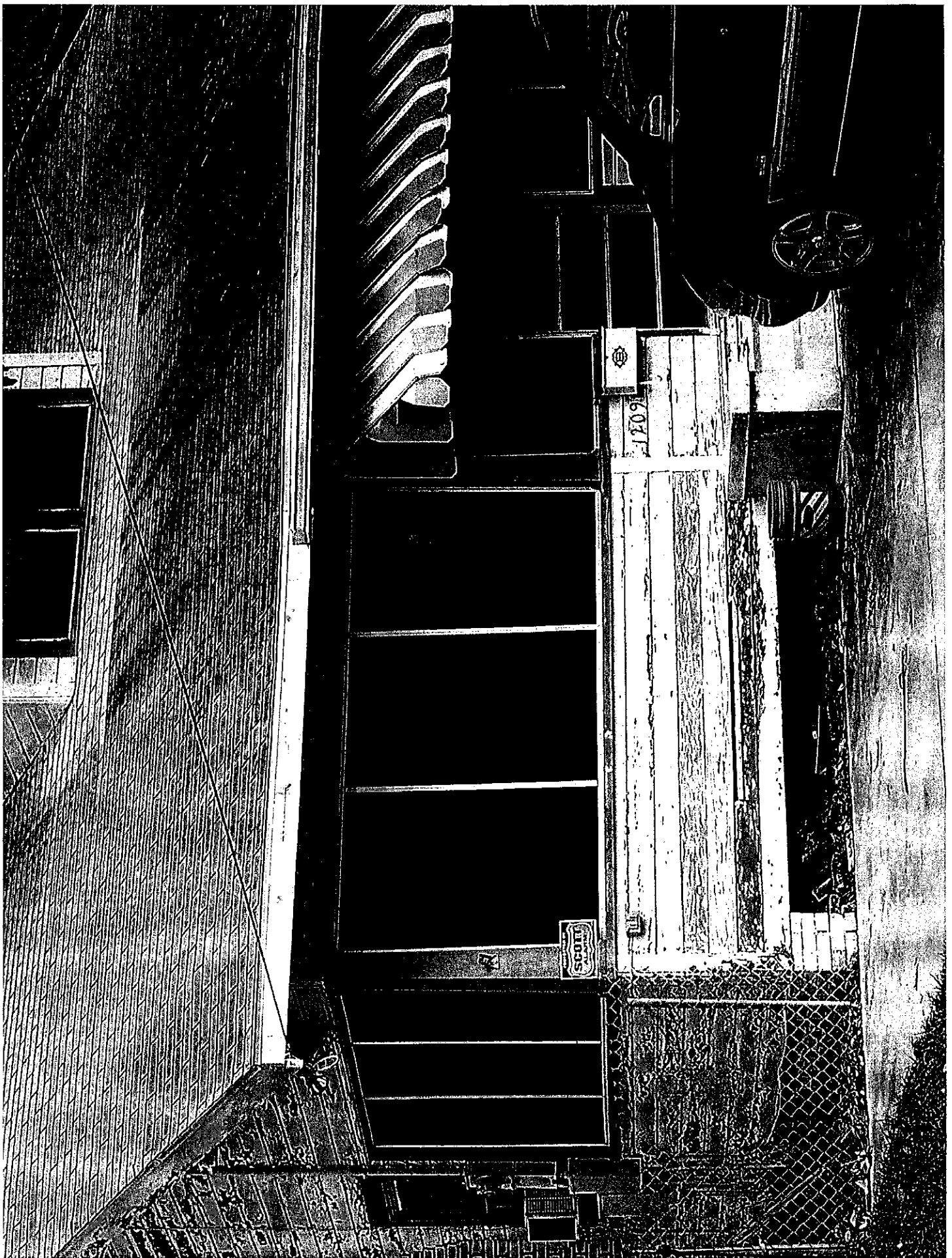


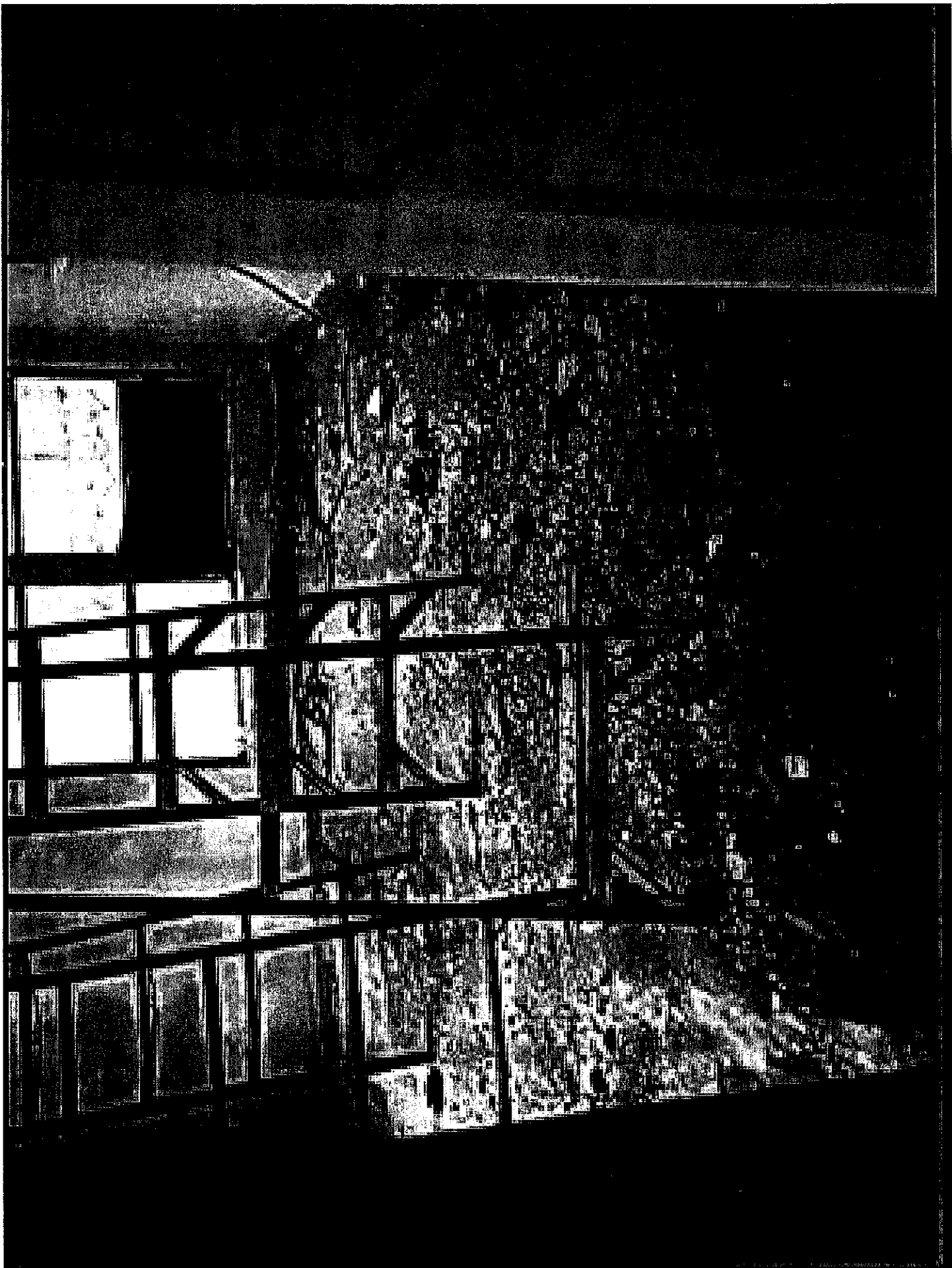
FINDING OWNERS:

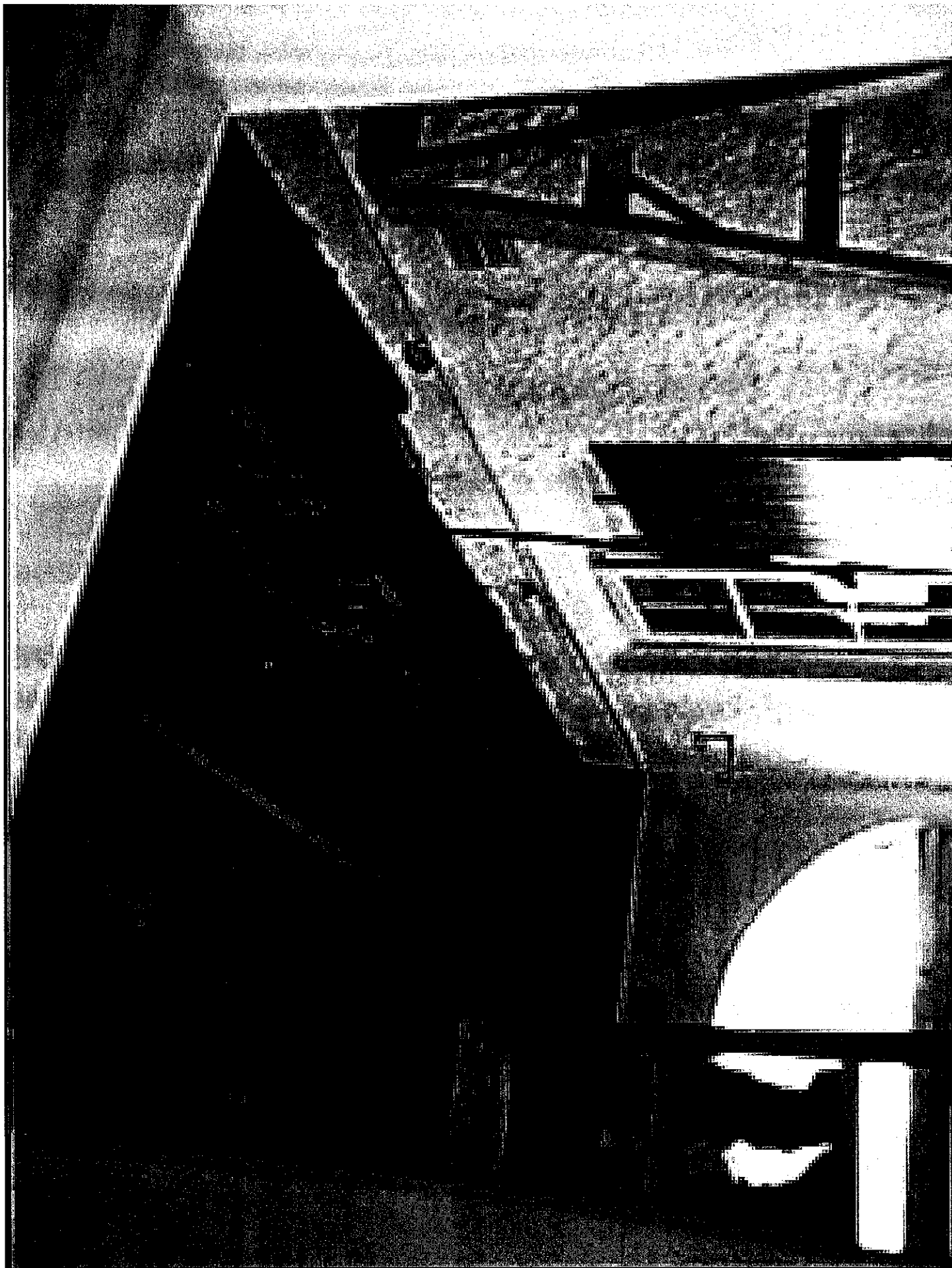
- Tax Roll/ County Property Records
- Neighbors
- Postal Service (Send Mail, Request Forwarding Address)
- Skip Tracers

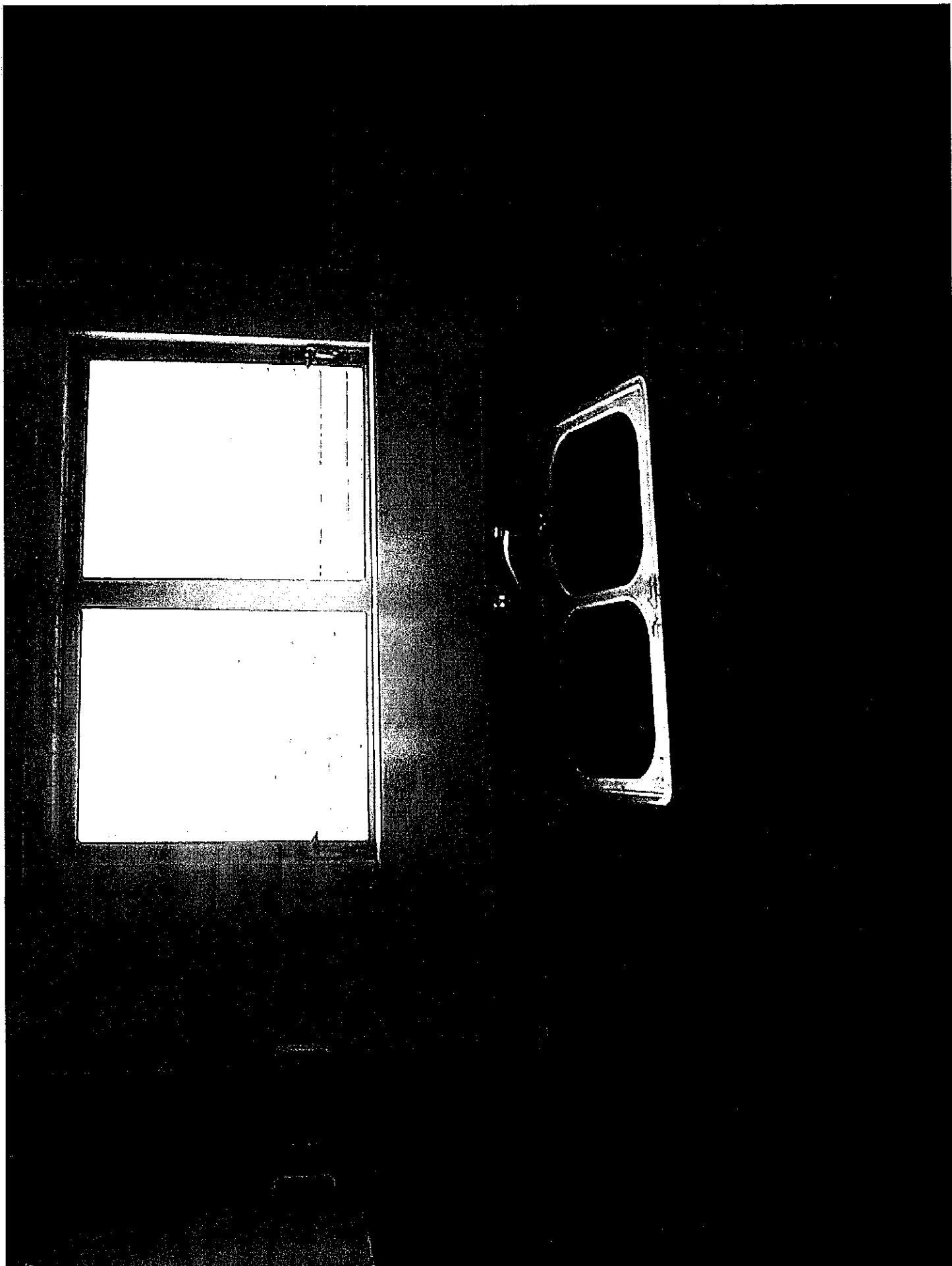




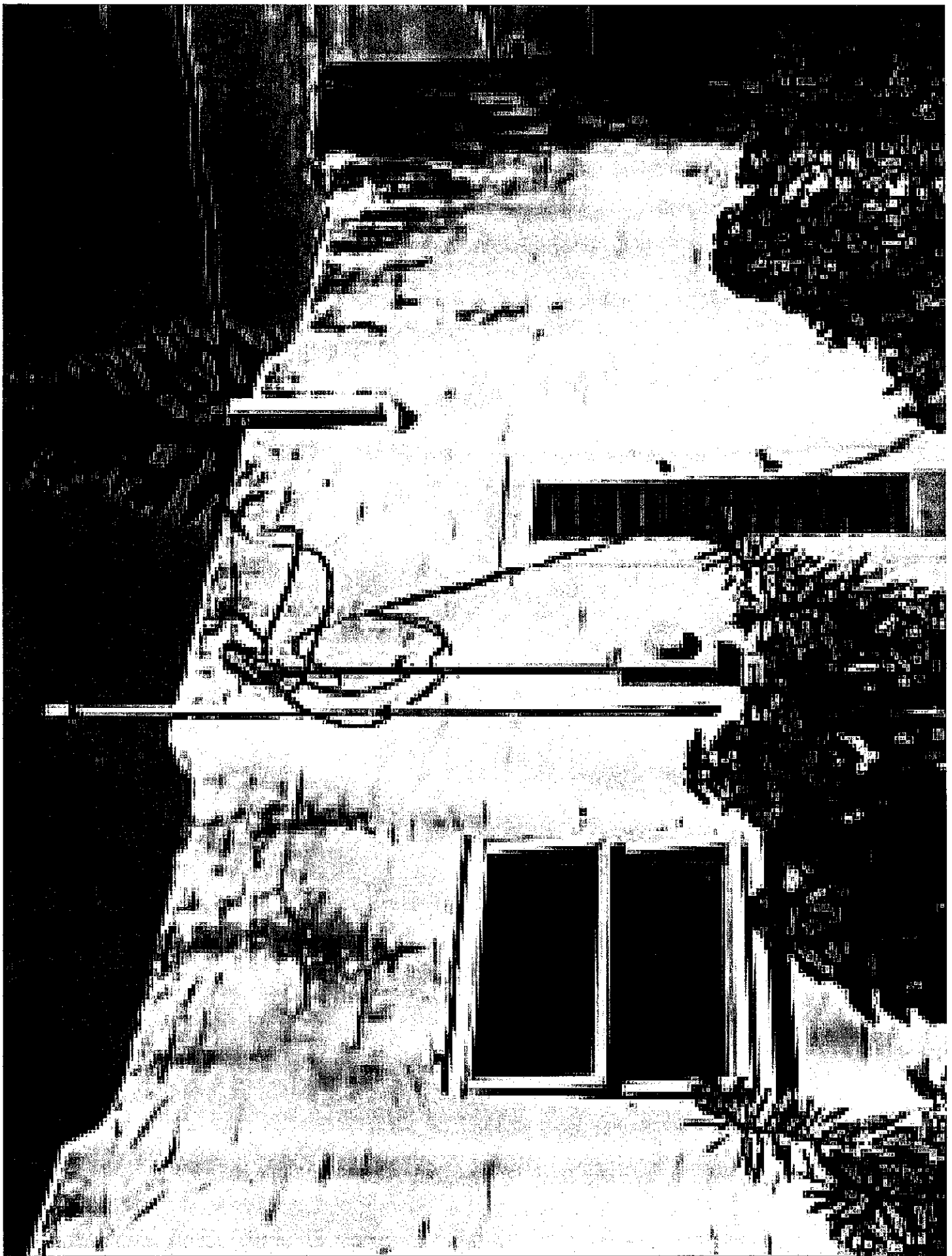


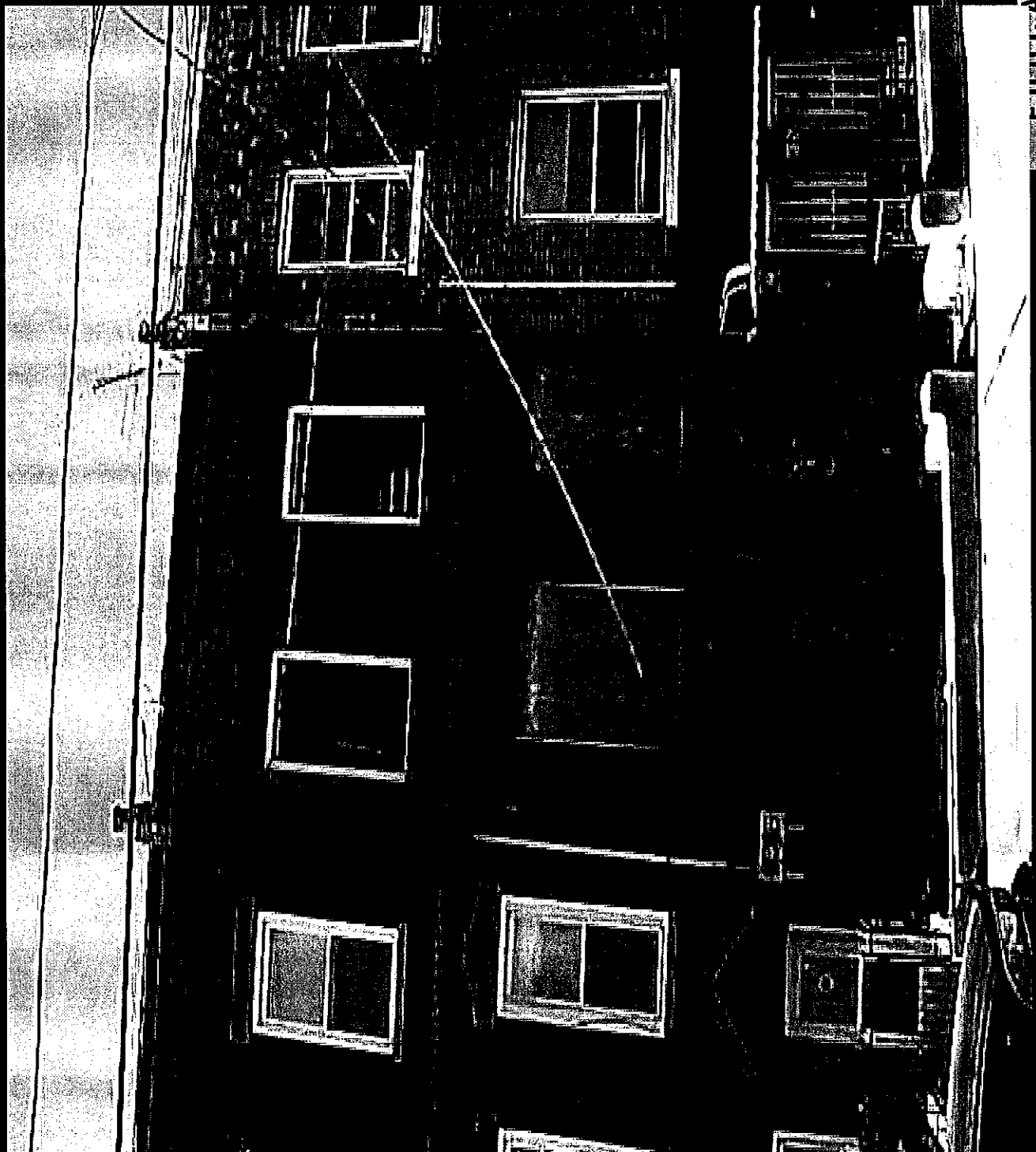






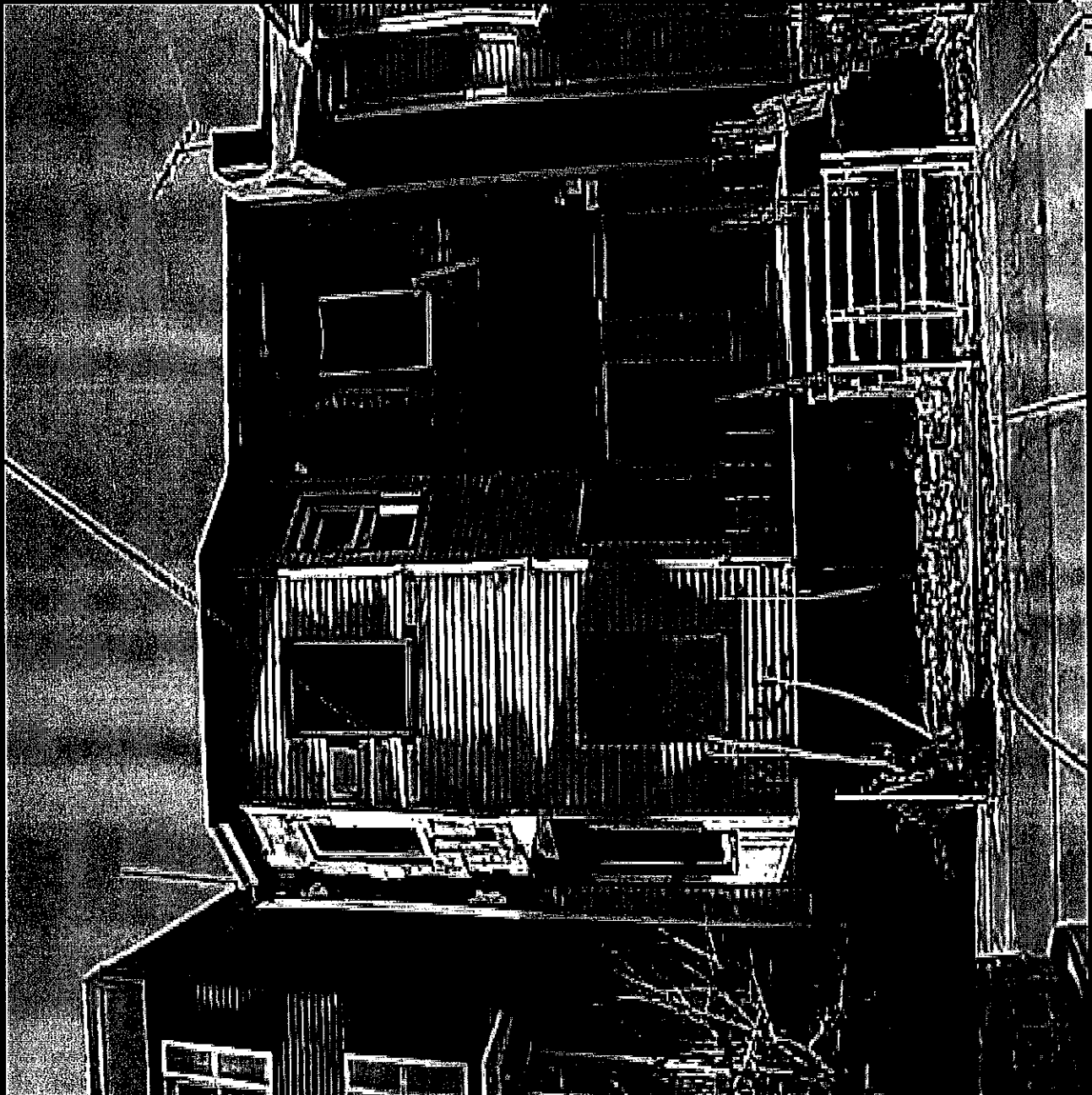




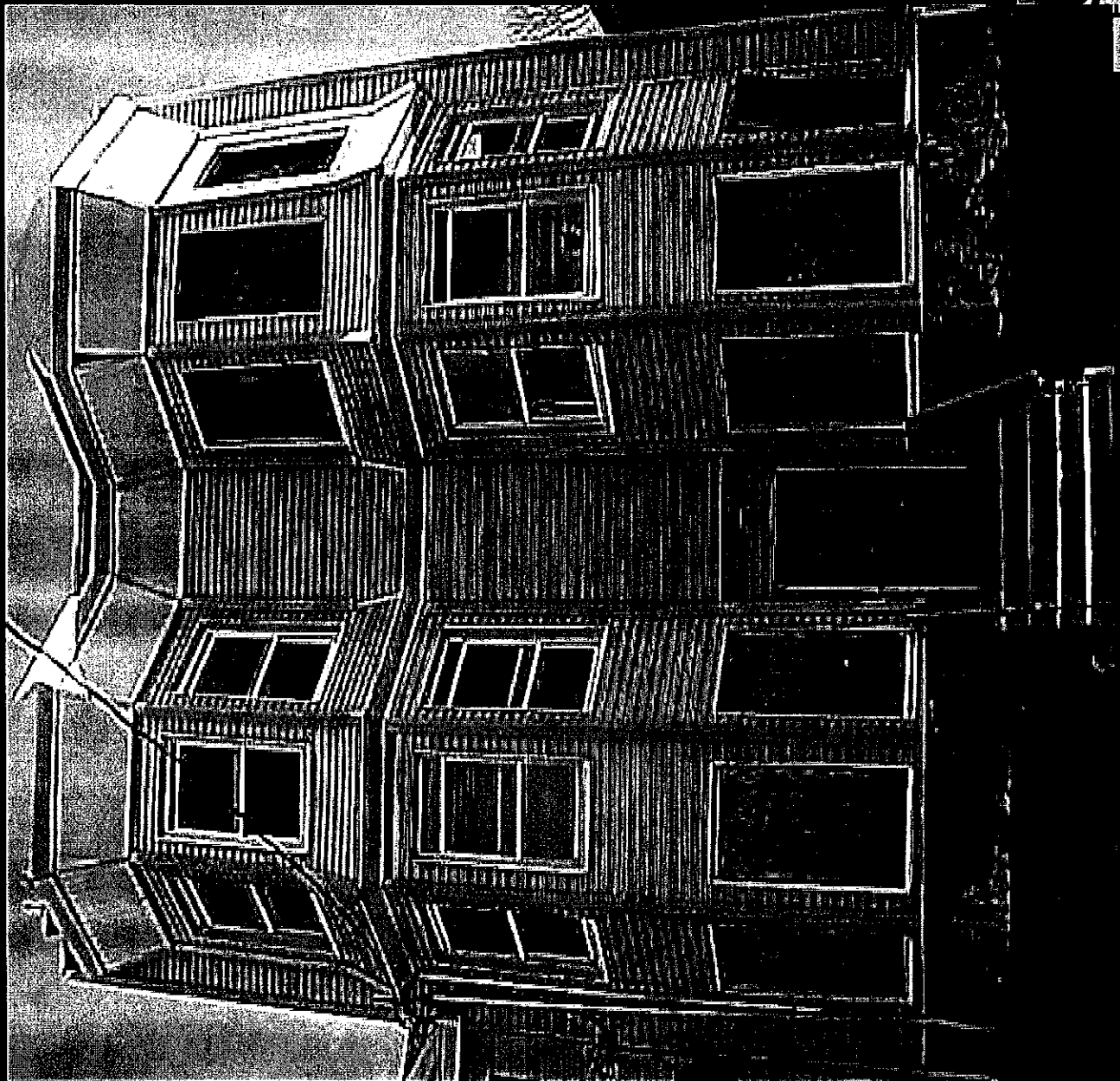


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Four Clauses

1. Right To Show
2. Escape
3. Find End User
4. Negotiation



IF YOU'RE NOT
EMBARRASSED BY THE
OFFER YOU MADE, YOU
OFFERED TOO MUCH!!



And/or Assigns

- Mechanics: Marc A
- Hrisko, and/or assigns
- MY NEW LAST NAME



CHOOSING A REALTOR:

1. How Long Have You Been In Real Estate?
2. Do You Specialize In Any Type Of Real Estate
3. Or Part Of Town?
4. Do You Depend On Real Estate For A Living?
5. Do You Have Banking Or Funding Connections?
6. Do You Invest In Real Estate?
7. Is This A Good Time To Buy Real Estate?
8. Can You Provide Me With References?



REALTORS:

- **MLS**
- **CMA's**



CMA'S INCLUDE:

- Recent Sales
- Close In Proximity
- Close In Square Footage



UNDERSTANDING ARV:

- ARV: After Repair Value
- Costs Should Not Exceed More Than 30% Of ARV – Especially As You Are Getting Started On Learning Rehabs And Estimating.



RUN THE NUMBERS:

- **Determine MAO (Maximum Allowable Offer)**
 - ARV**
 - Subtract Repair Costs**
 - Subtract Purchase Costs (1%)**
 - Subtract Holding Costs (3%)**
 - Subtract Sales Costs (3%)**
 - Subtract Minimum Acceptable Profit (20%)**
 - Subtract Fudge Factor (3-5% Sale Price)**



SAMPLE POSTCARD:

Dear Property Owner;

My name is _____ and I am a local Real Estate Investor. My company buys properties in your area, any condition.

I noticed your property located at _____.

If you are interested in selling, please call me at _____.

Sincerely,
Marc A Hrisiko



NEGOTIATE THE DEAL:

- I Want To Buy Your House At 123 Main St.
- If I Can Close Quickly And Pay Cash, What Is The Least Amount You Would Be Willing To Sell This House For??
- Is That The Best You Can Do??
- So, If I Can't Pay _____ We Can't Do Business??
- Circle Of Negotiation!!!



BUILD A DATABASE:

- 60-70% Of Your Future Business Should Come From Your Database



MARKET THE PROPERTY:

- “Gold Mine” Newspaper Ad:

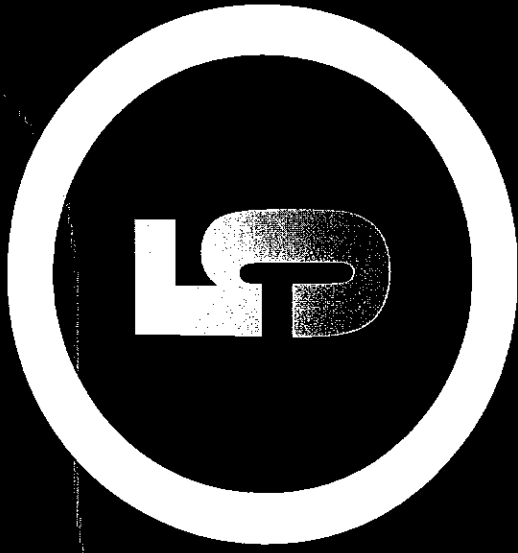
Handyman Special! Must Sell! 3/2

Hurry – Priced Right!

Call 555-1234

- Create A Buyer’s Frenzy





IN

YEARS YOU WILL HAVE
ARRIVED, THE QUESTION IS
WHERE ?

HOMework !!

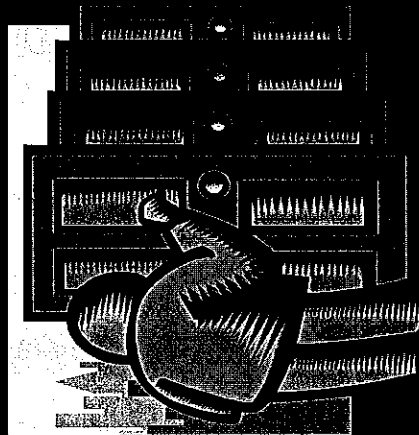


ACTION STEPS FOR DAY ONE:

- WHAT IS YOUR DREAM???
- Build seed capital using the credit card strategy.
- Fill out your financial statement using your real life numbers.
- Pick 7 – 9 Specialized Strategies
- What you learned about yourself during the Cash Flow Game . . .



When opportunity knocks on your
door,
will you be at home?



The
of all
are those that come from



If You Don't Take a Stand for
Yourself, Who Will?

YOUR SOMEDAY IS NOW!



HOW TO FIND YOUR NEW BUYER:

- 1. Auction: Create A Buying Frenzy
And Assign To Highest Bidder.**
- 2. You Determine Your Price. You
Market The Property. First Buyer
To Produce – WINS!**



IF THINGS FALL THROUGH...

- **Escape Clauses**
- **Lose Earnest Money**
- **Ask For More Time**
- **Remarket Property**
- **Save All Contact Names**



COMMON WHOLESALERS

MISTAKES:

- Buying In The War Zones
- Paying Too Much
- Working With Wrong Agents
- Letting \$\$, Or Lack Of \$\$ Hold You Back
- Not Making Enough Offers
- Not Building A Database



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DISCUSS

THE MINDSET OF “E” & “S”
IN REGARDS TO WHOLESALE BUYING

-VS- “B” & “I”?

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Whoever controls the paper,
controls the deal;
Whoever controls the deal,
controls the money and the
outcome!



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ADDENDUM

ADDENDA PROVIDE:

- Protection
- Negotiation
- Limited Liability



SECURING THE FINANCING

(WB-41)

Five Types Of Property Financing



LOAN APPLICATION

PACKAGE:

- Financial Statement
- Credit Report
- Federal Income Tax Return
- Statement About The Project (APOD)
- Rent Roll Statement
- Accepted Offer/ Contract
- Contractor's Estimates For Rehab
- Photos Of The Property
- Details On Other Investment Experience



FIVE TYPES OF

FINANCING:

(WB-43)

- HUD/FHA - Insured
- VA - Guaranteed
- CONVENTIONAL - PMI
- NON-CONFORMING LOW & NO DOCUMENTATION LOANS - Equity & A High Interest Rate
- SELLER LENDER - Real Estate



Mission

To Provide Affordable Housing
To People Who Have Had
Financial Challenges And Who
Are Committed To Getting Their
Life Back On The FAST
TRACK.



Purpose

By Helping Those Committed To
Helping Themselves We Create A
Stronger Sense Of Community. This
Builds People's Self Esteem,
Confidence And Belief In Themselves
And The Goodness In Others.
This Creates A better Stronger & Safer
Community For Us All To Live In



Vision

A Community Built On Mutual
Respect And Caring. A Safe,
Secure Environment In
Which To Live And Raise
Our Children



Renters Into Owners Never Put Yourself Out Of Business



Ad

- Low Down
- Lease With Option to Buy
- Poor Credit Ok
- Immediate Occupancy
- Address and phone number



Telephone Script

- What was it about the ad that got your attention?
- How much of an option payment can you afford to pay?
- What can you reasonably afford to pay for your monthly lease payment? (Test)
- “I am sure you would love to see this great property. By the way you will need to bring a \$1,000 check/deposit with you on Saturday.”



Poor Credit

- Looking For People With Poor Credit Committed To Getting Life back On Track
- People who Can Afford \$1,300-\$2,300 PM



STRUCTURING THE DEAL

- 1-3 year lease, with option to buy
- They do minor repairs, \$250 or less
- We do major repairs, \$250 or more
- Monthly Payment: +20-30% of FMV for rentals in area
- Monthly Payment to be paid in addition to lease for a credit toward down payment ("What can you afford?")
- Option payment of 3-7% of current price
- They maintain interior insurance.
- Negotiated future purchase price, year by year.



Four Types of Lease Option Income

- Non-refundable Option Payment (PCF)
- Monthly income (PMCF) (+20%-30% of FMV on rentals)
- Sale price is pre-negotiated and agreed upon by all parties (APPRECIATION)
- Tax Advantages (Deferment of sale allows you to DEPRECIATE on your taxes)



The Cost Of Ignorance

- How Much Will It Cost You Every time You Make A Mistake Or Fail To Make A Deal?
- What If You Lost A \$1M Deal Next Week Just Because You Didn't Have The Knowledge To Know What To Do?
- How Would That Feel?
- You Might Not Even Know It Happened!



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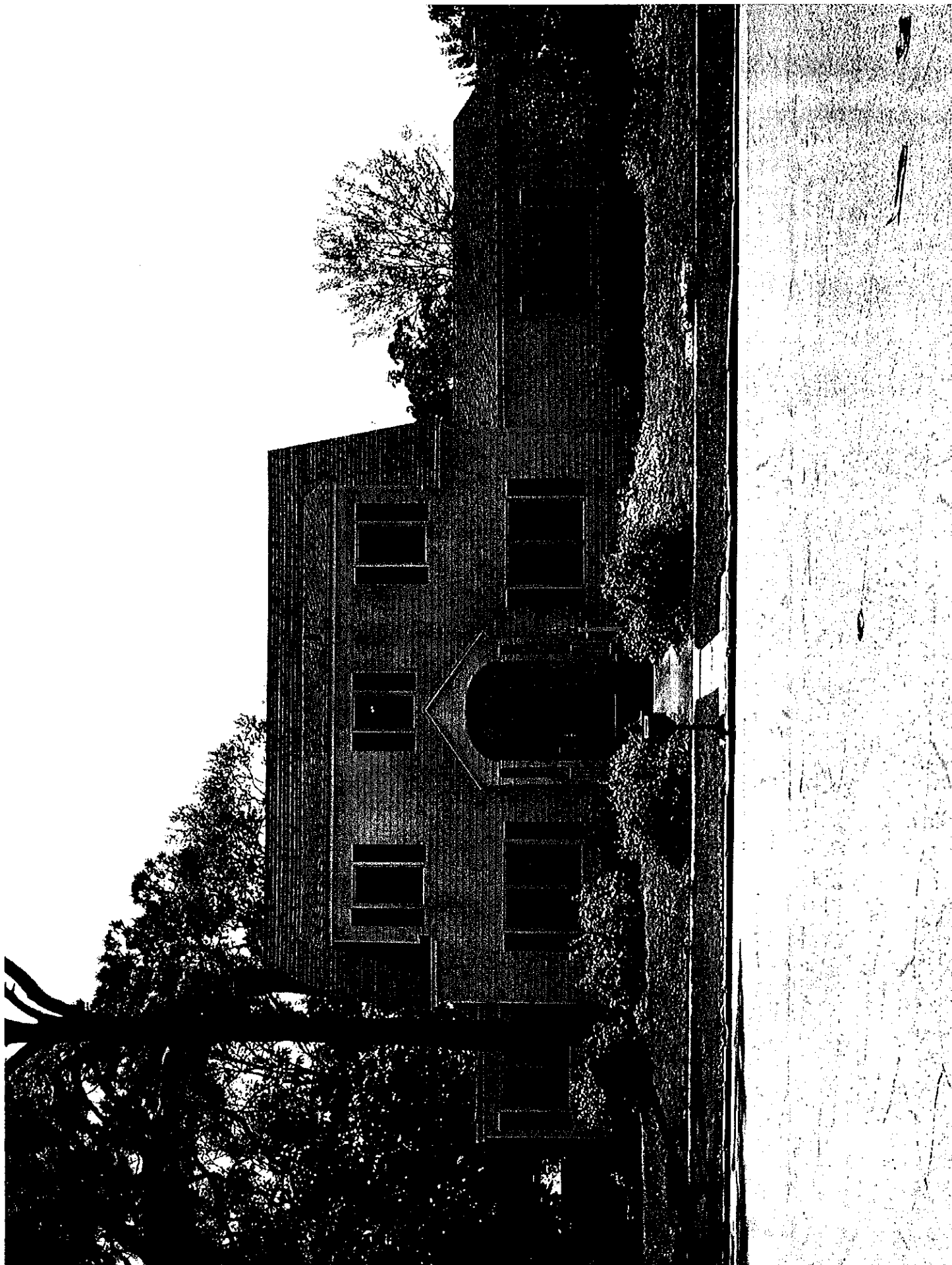
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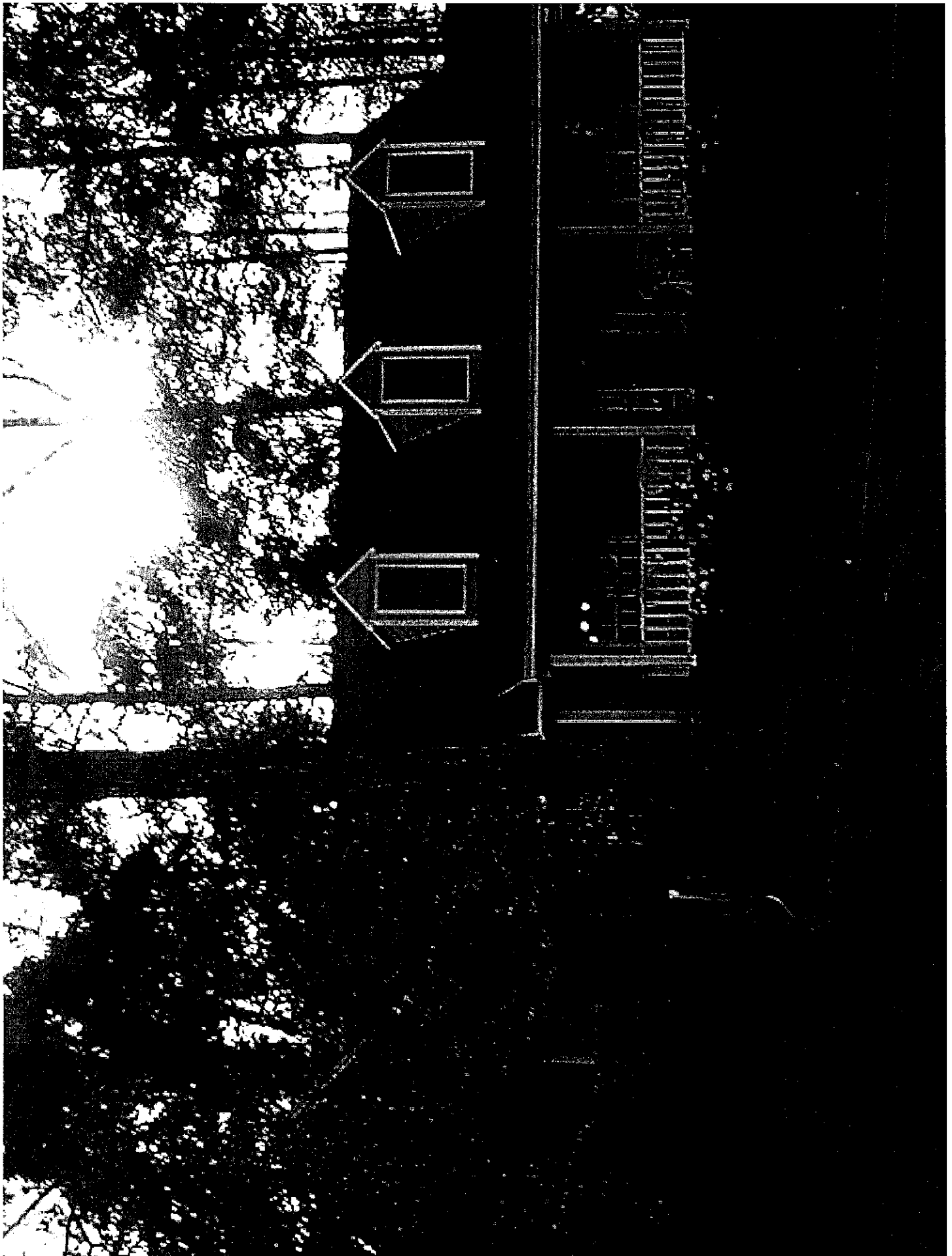


The Cost Of Ignorance

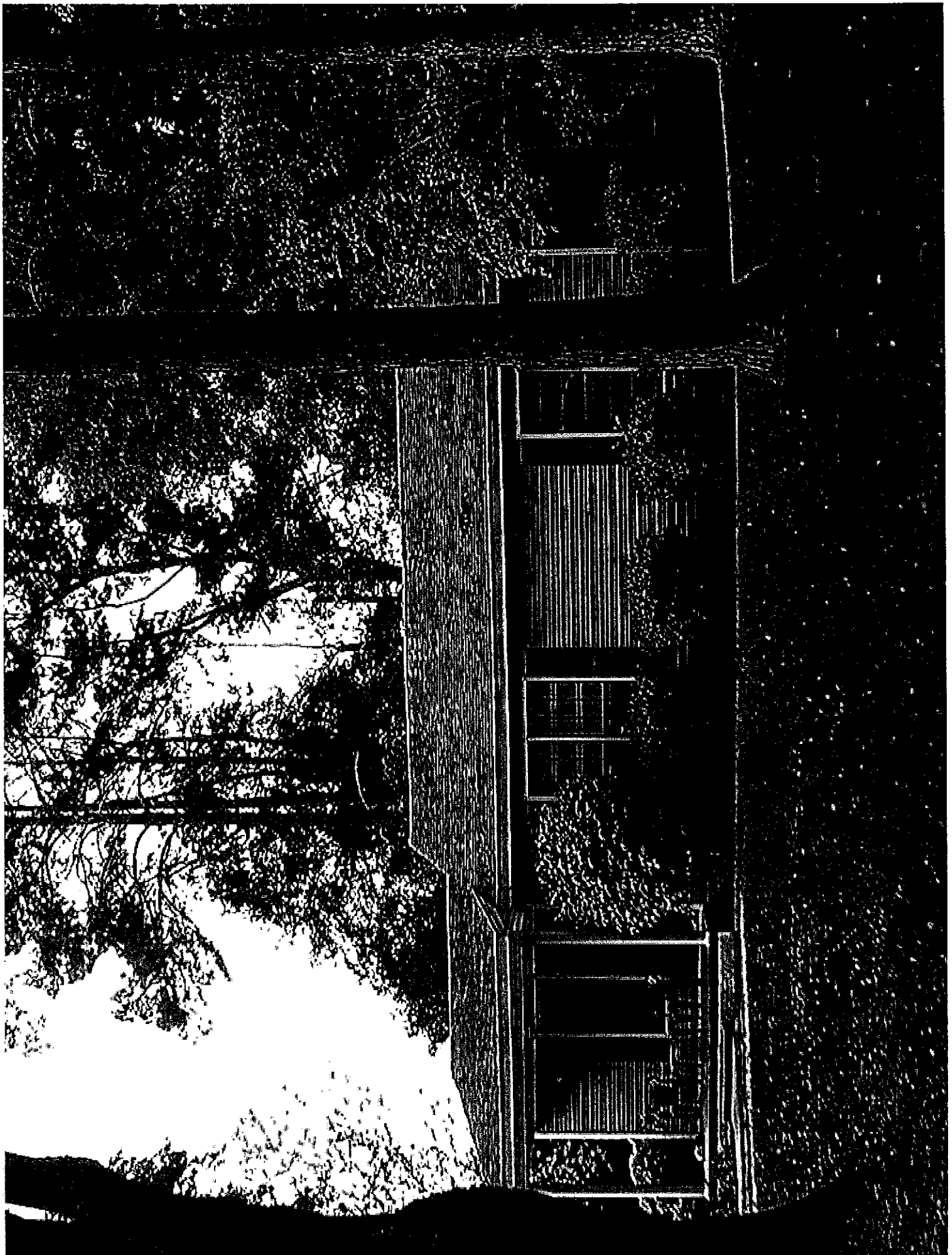
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- How Would That Feel?
- You Might Not Even Know It Happened!











RETAILING THROUGH

REHABS

(WB-85)

STEPS TO QUICK TURNS ON REHABILITATION PROPERTY



Robert Kiyosaki says...

- Money is one form of power but what is more powerful is your financial education.
- Money comes and goes but if you have education about how money works you gain power over it and can begin building wealth.
- *Rich dad Poor Dad pg 19*



Rehab & Remodel

(Pg. 85)

STEPS TO QUICK TURNS
ON
REHABILITATION PROPERTY





10 STEPS TO SUCCESS

1. BUY IT RIGHT
2. DO DUE DILIGENCE
3. RAISE CAPITAL X 2!
4. CLOSE THE PURCHASE
5. REHAB IT!
6. LOCATE PROSPECTS
7. PRESCREEN AND QUALIFY
8. CONSTRUCT OFFERS
9. FOLLOW UP
10. CLOSE!



Plan Your Work Work Your Plan

- Finding & Negotiating on the Property
- Property Inspections
- Planning /Timelines
- Get the Most Bang for Your Buck!
- When NOT to do it yourself!
- Increasing Curb Appeal
- Cutting Costs/labor only
- Buy Materials the Right Way!



Plan Your Work . . .

Work Your Plan

- Do all demolition inside first
- Then do outside to attract attention
- Sell while doing inside
- Buyer pre-approved
- Do not let subs do work without permitting
- Beware people want to work nights/weekends
- Estimate how long take subs to do work

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Plan Your Work . . . Work Your Plan

Permits

1. Structural
2. Electrical
3. Roof
4. Plumbing
5. Windows



What Three Rooms Are The Most Important?



Plan Your Work . . .
Work Your Plan

1. Kitchen
2. Master Bedroom
3. Bathrooms



Plan Your Work . . . Work Your Plan

The three major areas that cost
the least but provide the most
value when fixing up are...



Plan Your Work . . .
Work Your Plan

1. Painting
2. Carpeting
3. Landscaping



Plan Your Work . . . Work Your Plan

- When painting use neutral colors
- Drive through neighborhood see what other investors and builders are using/what is the current trend?
- Same color paint and carpeting throughout
- Pay special attention to.....



YOU'VE ALL BEEN
TAUGHT IF YOU
WANT THE JOB
DONE RIGHT, DO
IT

• THAT WILL KEEP YOU ON THE
SLOW TRACK!!



- Roof
 - Foundation
 - Leaks
 - Ceiling Repairs
 - Plumbing
 - Kitchen /Appliances
 - Electrical
 - Exterior doors/locks
 - AC/furnace
 - Driveway
 - Dry rot
- Cosmetic Repairs**
 - Latex Paint**
 - Replace Glass**
 - Floor covering**
 - Drywall repairs**
 - Interior doors**
 - Odor issues**
 - Yard clean-up**
 - Light fixtures**
 - Closet organizers**



Hiring A Contractor

- Clearly spell out payment schedule (Varies depending on the size of the job and the region, typically one third down and balance on completion)
- If you are not planning to rent the property consider offering 50% up front and 50% when the property sells
- Never make the final payment until the job is 100% complete
- Agreement should stipulate that all changes must be in writing and signed by both parties



Hire Licensed Professionals For REHABS

- Certificate of Insurance? (Is it Active?)
- 3 Types of Insurance.

Property Damage

General Liability

Workman's Compensation

One Million Dollar Umbrella, YOU/CO.



Rehabbing Tips

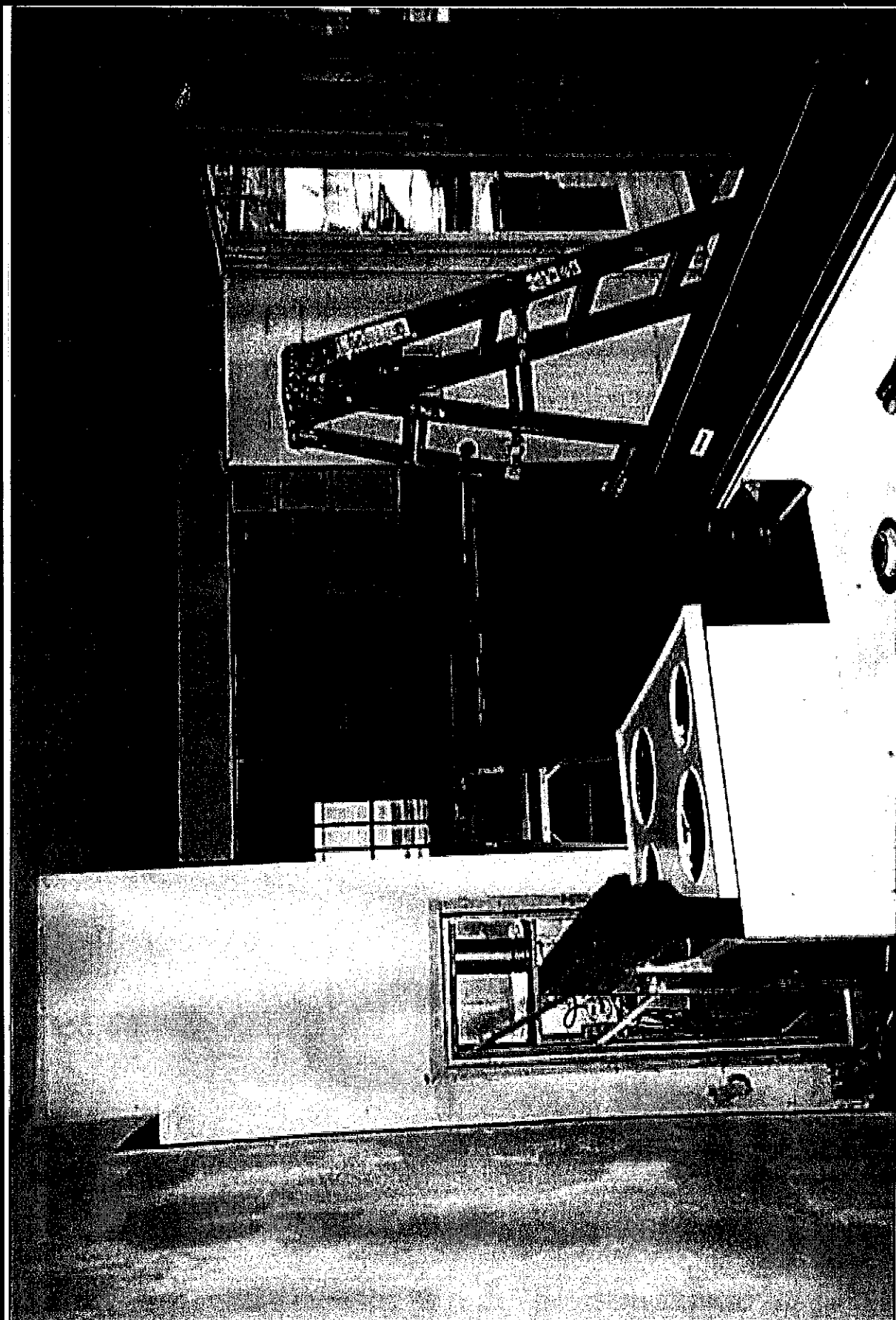
- Counter top burns custom hot pads out of tile saved \$200-\$300
- Use bleach for cleanup instead of expensive cleaning products/removes mold & mildew
- Odors/Find source and remove
- Odoban



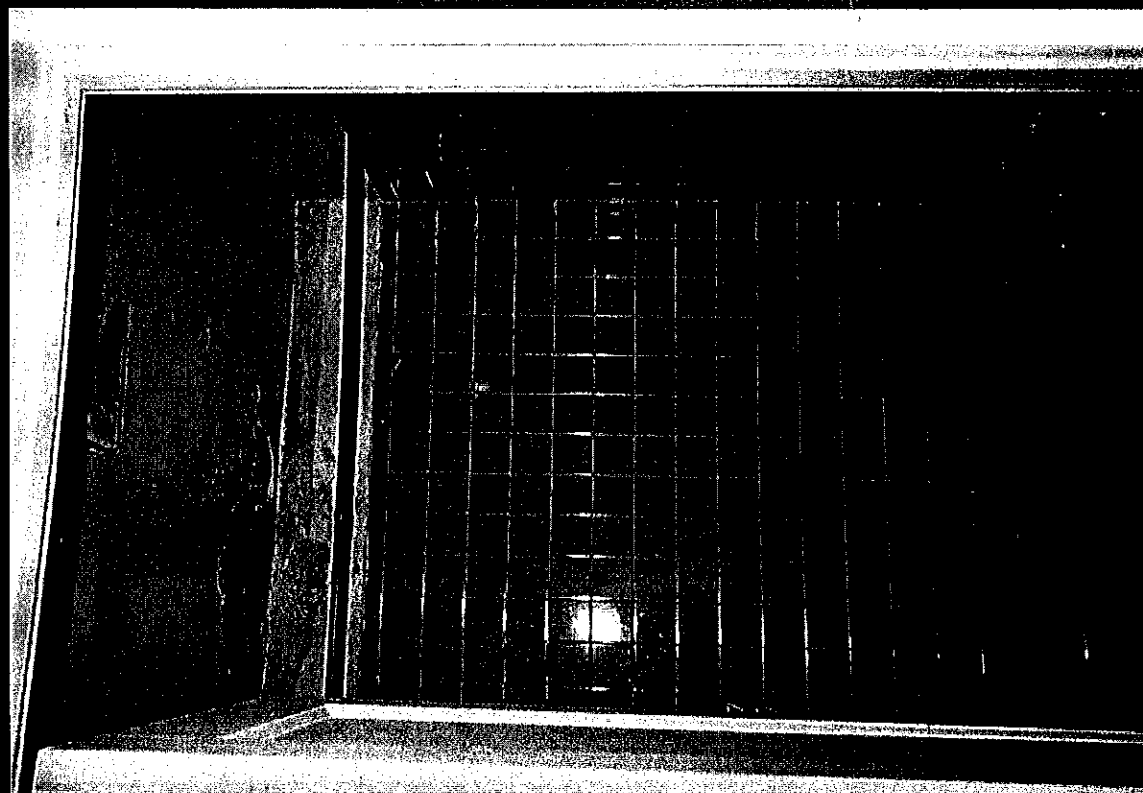
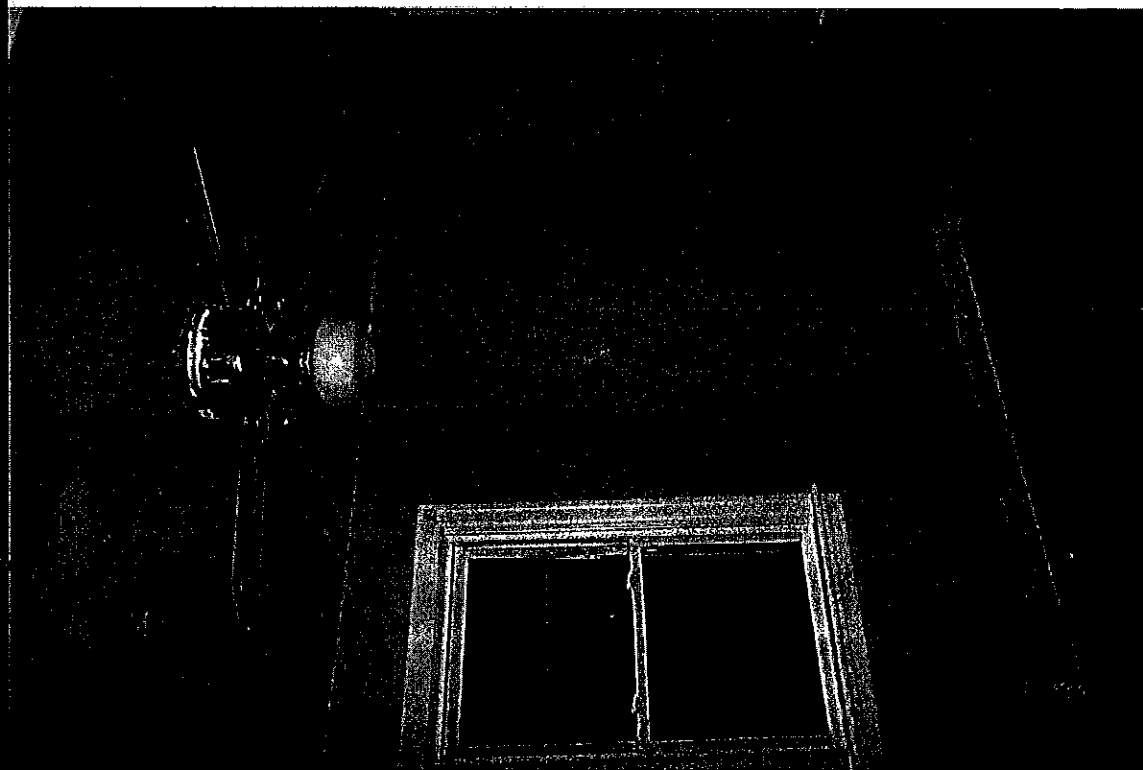
Rehabbing Tips

- Top of the line self priming paint
- Before you buy paint check if old paint is oil or latex
- Oil over latex but not latex over oil
- Scratch & Dent Appliances
- New Front Door
- Window Treatments
- Dye Carpet

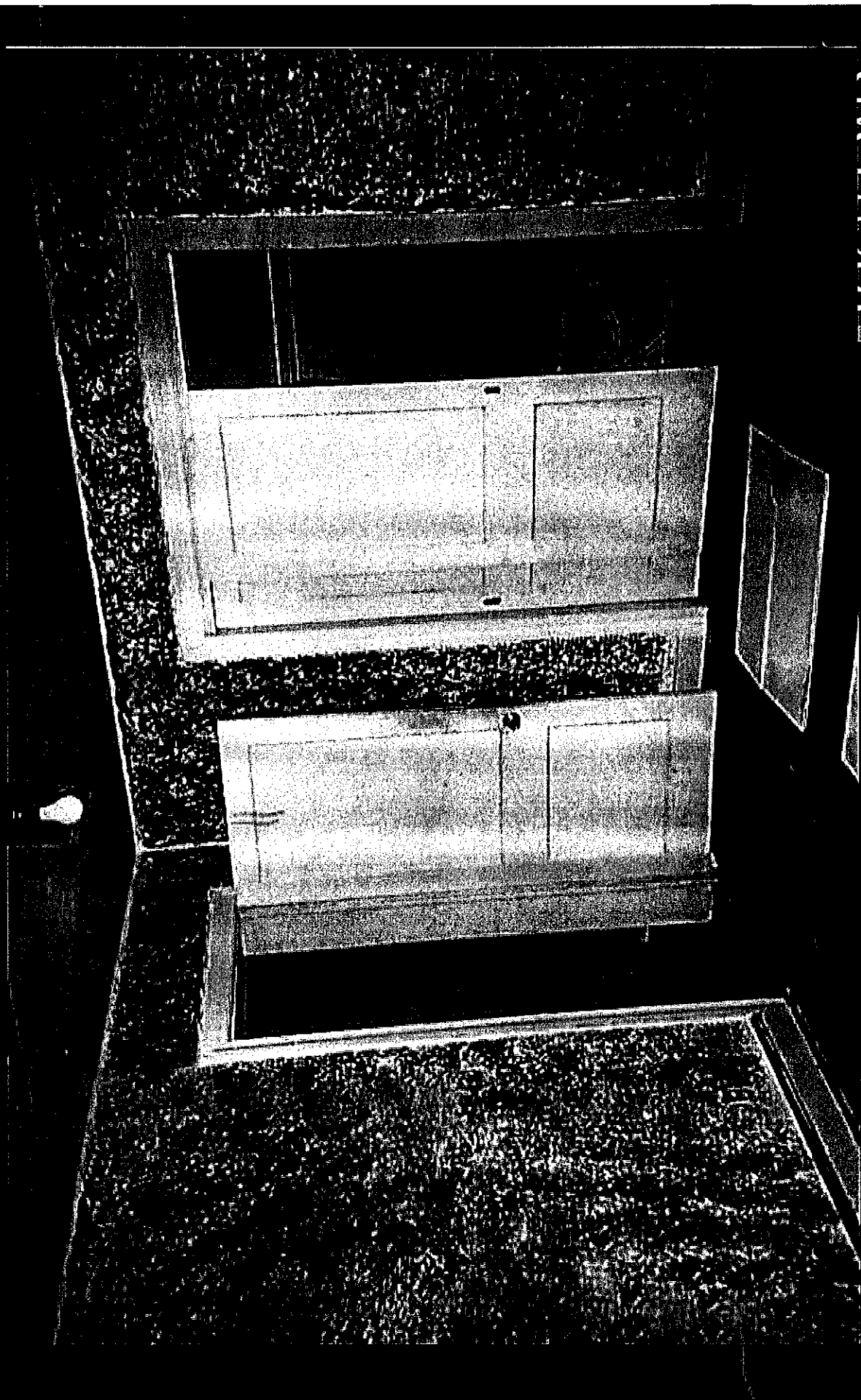




EDUCATION



RICHARD
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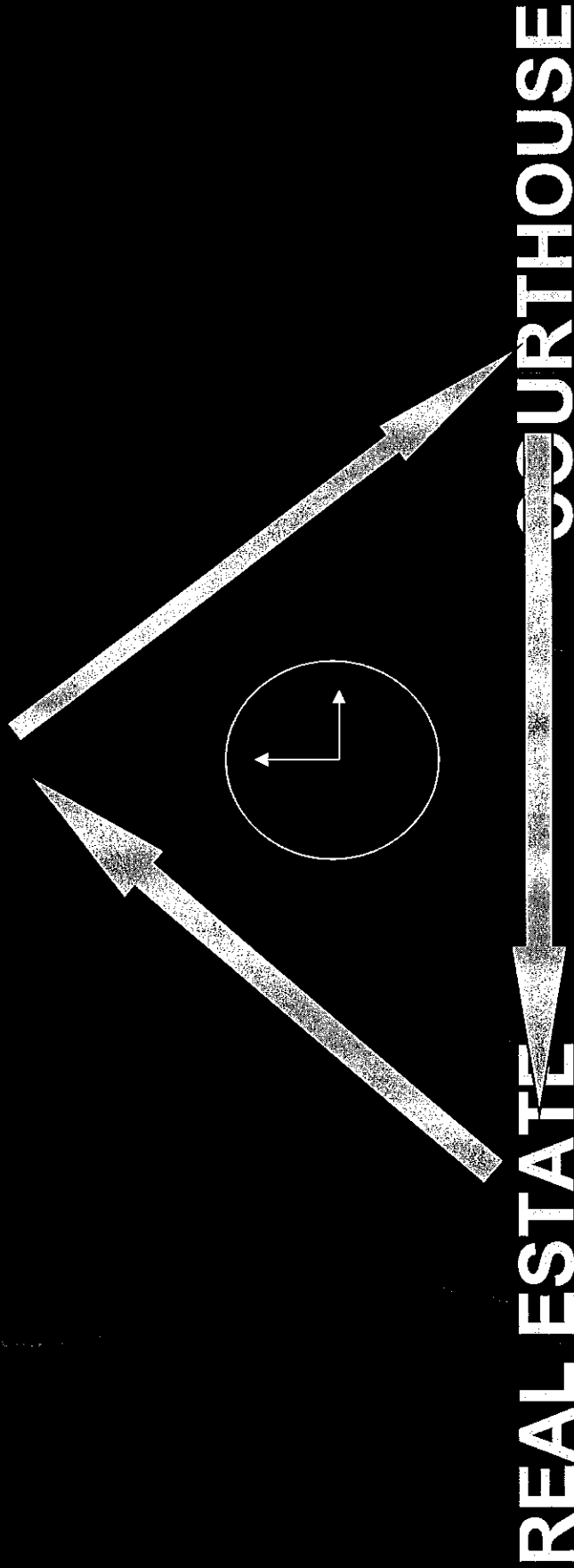


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FORECLOSURE TRIANGLE:

(WB-65)

PREFORECLOSURE



Foreclosures

- Letters
- Door Knocking
- Foreclosure Advisor
- Problem Solved
- 10 Day Stampede
- Legal Process
- Laws Changing



Best Foreclosure Stage
To Buy In

Pre-foreclosure
For Three Reasons



Pre-Foreclosure

1. Less Competition

2. Less Money

3. Time



Foreclosures

Nice Homes

Owned 5-7 years



THE DEFAULT:

- 1. Lender Does Not Receive The Regular Monthly Payments.**
- 2. Property Taxes & Assessments Not Paid.**
- 3. Insurance Not Maintained.**
- 4. Covenants & Restrictions Of The Deed Not Complied With.**



THE SEQUENCE:

(WB-66)

- ▶ Delinquency Notice
- ▶ Notice Of Default
- ▶ Reinstatement Period
- ▶ Date Of Publication
- ▶ Date Of Sale
- ▶ Deficiency Judgment



REO SOURCES:

(WB-68)

- ▶ Institutional Lender
- ▶ Government Agencies
- ▶ Private Lenders



Pre-Foreclosure - Chuck & Sherri H.

**2 Months after attending Training
Found property
Woman was Divorced
Husband was in Jail**



Pre-Foreclosure - Chuck & Sherri H.

| | |
|--------------------|-----------------|
| Loan balance | \$65,122 |
| Loan balance (2nd) | \$ 3,153 |
| Back Payments | \$ 6,269 |
| Cash to Seller | <u>\$ 5,000</u> |
| TOTAL = | \$79,544 |

Worth \$140,000 after fix up



Pre-Foreclosure - Chuck & Sherri H.

TOTAL = \$79,544

Did Title Search

| | |
|-------------------------|-----------------|
| 1) Lien (auto accident) | \$ 5,536 |
| 2) Lien (bail bond) | \$ 4,500 |
| 3) Lien (misc.) | <u>\$14,070</u> |
| Total Liens = | \$26,106 |

TOTAL OF EVERYTHING = \$105,650



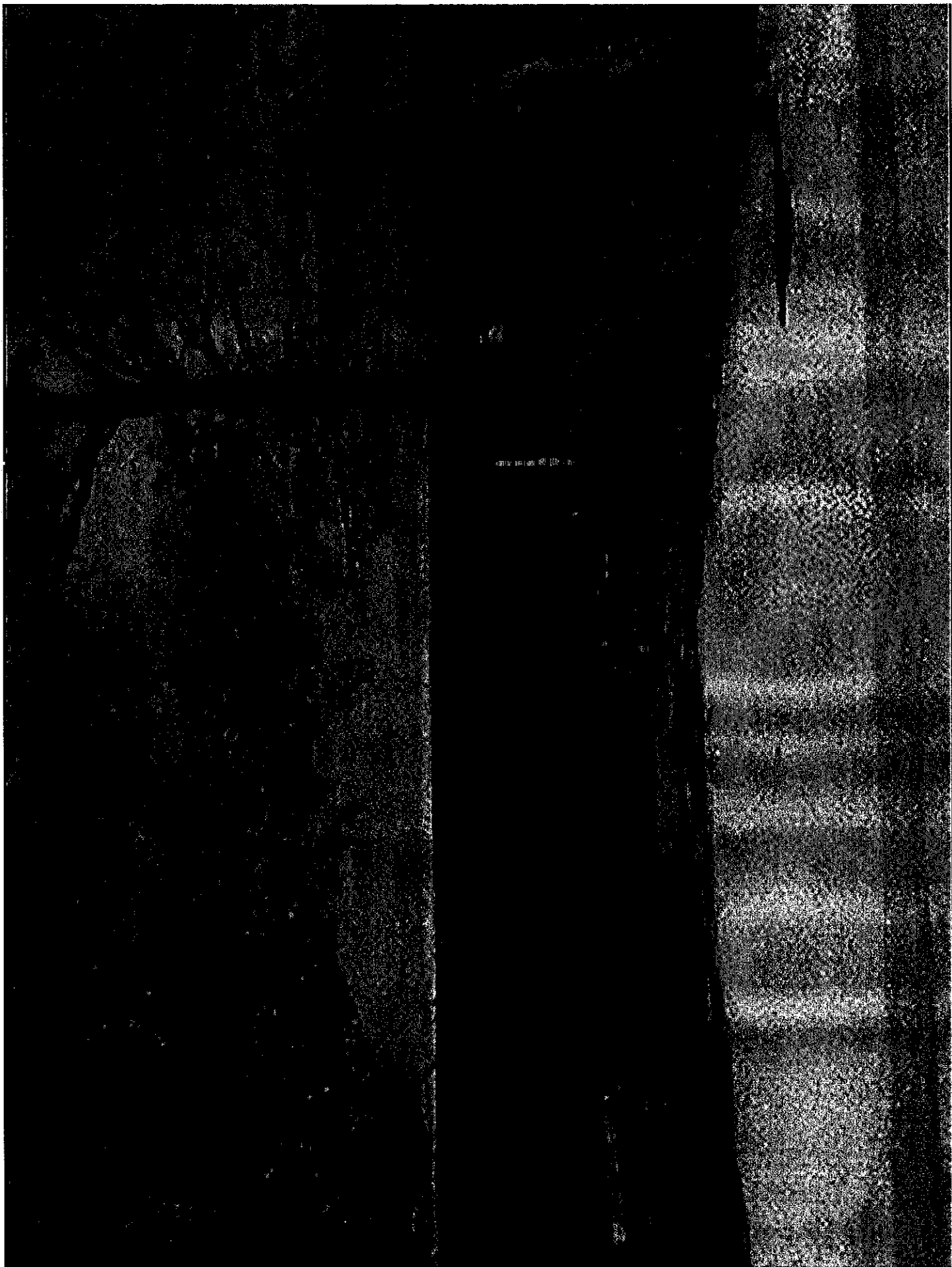
Pre-Foreclosure - Chuck & Sherri H.**TOTAL = \$105,650**

**Told Seller they needed to back out
 Seller accepted \$2,000 rather than \$5,000**

“Junior Lien Training”

| | | |
|--------------------------------|------------------------|-----------------------|
| 1) Lien (auto accident) | \$ 5,536 | \$2,500 |
| 2) Lien (bail bond) | \$ 4,500 | Forgiven |
| 3) Lien (misc.) | <u>\$14,070</u> | <u>Expired</u> |
| Total Liens = | \$26,106 | \$2,500 |

TOTAL OF ALL =**\$79,544**



WHAT DID YOU LEARN?

AT ALL COSTS, STAY IN THE
PRE-FORECLOSURE PORTION
OF THE TRIANGLE!

THE FURTHER DOWN YOU GO IN
THE CYCLE, THE LESS CONTROL
YOU END UP HAVING!



ASSET PROTECTION

**“SPEND WHATEVER IT TAKES TO BE THE
SAFEST AND MOST SECURE. THEN
SPEND
WHATEVER IT TAKES TO STAY THAT
WAY.”**

-- Warren E. Buffett

Chairman, Berkshire Hathaway Inc.



I Am Not A Lawyer Or Accountant

All Information I Give Is For
Educational Purposes Only



BUSINESS LEGAL STRUCTURE:

- Every business must have legal structure.
- Four primary structures for for-profit businesses.
- Consult with CPA, or RE Attorney.



1. SOLE

PROPRIETORSHIP:

- **Advantage:** Simplest to set up and dissolve and generally the least costly.
- **Disadvantage:** Unlimited liability and responsible for all business debts.
- Profits are reported on your personal income tax return.
- Register Fictitious Name (DBA).
 - Valid for 5 years.
- Commercial Checking Account.



2. PARTNERSHIPS:

- Two or more persons who agree to share business ownership.
- Each partner contributes money, labor, and/or property, and each partner shares the profits and losses on their individual tax returns.
- General - at least one partner has unlimited liability.
- Limited – limits to personal liability of each partner.



3. CORPORATIONS:

- Provide greater protection from personal liability.
- “C” – Unlimited number of shareholders. Corporation pays tax on net earnings, and shareholders pay personal tax on any dividends. Shareholder cannot deduct corporate losses from their personal returns.
- “S” – Limits number of shareholders to 75. Treats corporate profits as personal income, taxable to shareholders. Avoids double taxation.



4. LIMITED LIABILITY COMPANY:

- Hybrid combining some of the attributes of a corporation and tax status of a partnership.



Commercial Investments

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COMMERCIAL INVESTMENTS

- Higher Risk - Great Return
- Changes In Lending Qualifications
- Tenants Often Pay Expenses And Maintenance (Triple Net Leases)



